

1 AN ACT concerning vacant and abandoned property.

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

4 Section 1. Short title. This Act may be cited as the
5 Illinois Land Banking Act.

6 Section 5. Findings. There is a continuing need to
7 strengthen and revitalize the economy of this State. Vacant and
8 abandoned properties threaten communities around the State
9 because those properties diminish property values, enable
10 crime, and create health hazards. Municipalities are often
11 unaware of which properties are at risk of becoming vacant and
12 abandoned. Municipalities have an interest in knowing the
13 status of the housing stock located in their jurisdictions.
14 Local governments should be empowered to acquire, develop,
15 maintain, and dispose of vacant and abandoned properties that
16 present a threat to communities around the State.
17 Municipalities lack many of the tools necessary to ensure
18 adequate property maintenance. Municipalities are unable to
19 recover the reasonable costs of their property maintenance
20 activity.

21 Section 10. Definitions.

22 "Authority" means the land bank authority created pursuant

1 to this Act.

2 "Intergovernmental agreement" means a contractual
3 agreement between one or more governmental agencies,
4 including, but not limited to, an agreement to jointly exercise
5 any power, privilege, or authority that agencies share in
6 common and that each might exercise separately under this Act.

7 Section 15. Authorization. A municipality may create a land
8 bank authority with the powers and restrictions specified in
9 this Act. In creating an authority, the municipality shall
10 provide for all of the following:

11 (1) The incorporation of the authority as a public
12 body, corporate and politic.

13 (2) Articles of incorporation for the authority, which
14 must specify a list of permissible purposes for authority
15 activity under this Act.

16 (3) The size of the board of directors for the
17 authority, which shall be composed of an odd number of
18 members.

19 (4) The qualifications, methods of selection, and
20 terms of office of the board members.

21 Section 20. Election of tax remittance. A municipality may
22 authorize the remittance of a portion of taxes collected on
23 real property, pursuant to the Property Tax Code, to the
24 authority that sold or conveyed real property in order to

1 further the purposes of this Act. The municipality may elect to
2 have up to 50% of those taxes remitted to the authority for up
3 to 5 years after the land bank has completed the sale or
4 conveyance of the property.

5 Section 25. Board of directors. The board of the authority
6 shall meet from time to time as required, and the presence of a
7 majority of the board of directors shall constitute a quorum. A
8 chairperson shall be elected from among the members, and he or
9 she shall execute all deeds, leases, and contracts of the
10 authority when authorized by the board. The board of the
11 authority shall conduct meetings in accordance with the Open
12 Meetings Act. The board of the authority shall adopt a code of
13 ethics for its directors, officers, and employees. The board of
14 the authority shall establish policies and procedures
15 requiring the disclosure of relationships that may give rise to
16 a conflict of interest. The board of the authority shall
17 require that any member of the board with a direct or indirect
18 interest in any matter disclose the member's interest to the
19 board before the board takes any action on that matter. Members
20 of the board of directors of an authority shall serve without
21 compensation.

22 Section 30. Powers. Except as otherwise provided in this
23 Act, an authority may do all things necessary or convenient to
24 implement the purposes, objectives, and provisions of this Act,

1 including but not limited to the following:

2 (a) Acquire property pursuant to Section 35 of this
3 Act.

4 (b) Adopt, amend, and repeal bylaws for the regulation
5 of its affairs and the conduct of its business.

6 (c) Sue and be sued in its own name and plead and be
7 impleaded, including, but not limited to, defending the
8 authority in an action to clear title to property conveyed
9 by the authority.

10 (d) Take any action, provide any notice, or instate any
11 proceeding required to clear or quiet title to property
12 held by the authority in order to establish ownership by
13 and vest title to property in the authority.

14 (e) Be made party to and defend any action or
15 proceeding concerning title claims against property held
16 by the authority.

17 (f) Borrow money and issue bonds and notes according to
18 the provisions of this Act.

19 (g) Enter into contracts and other instruments
20 necessary, incidental, or convenient to the performance of
21 its duties and the exercise of its powers, including, but
22 not limited to, intergovernmental agreements, for the
23 joint exercise of power under this Act.

24 (h) Enter into contracts for the management of, the
25 collection of rent from, and the sale of real property held
26 by an authority.

1 (i) Enter into contracts with other entities, public or
2 private, for the provision of all or a portion of the
3 services necessary for the management and operation of the
4 authority.

5 (j) Solicit and accept gifts, grants, labor, loans, and
6 other aid from any person, the federal government, this
7 State, a political subdivision of this State or any agency
8 of the federal government, or an intergovernmental entity
9 created under the laws of this State or participate in any
10 other way in a program of the federal government, this
11 State, a political subdivision of this State, or an
12 intergovernmental entity created under the laws of this
13 State.

14 (k) Procure insurance against loss in connection with
15 the property, assets, or activities of the authority.

16 (l) Control, hold, manage, maintain, operate, repair,
17 lease as lessor, secure, prevent the waste or deterioration
18 of, demolish, and take all other actions necessary to
19 preserve the value of the property it holds or owns.

20 (m) Remediate environmental contamination on any
21 property held by the authority.

22 (n) Fix, charge, and collect rents, fees, and charges
23 for use of property under the control of the authority or
24 for services provided by the authority.

25 (o) Grant or acquire a license, easement, or option
26 with respect to property as the authority determines is

1 reasonably necessary to achieve the purposes of the Act.

2 (p) Pay any tax or special assessment due on property
3 acquired or owned by the authority.

4 (q) Invest money of the authority, at the discretion of
5 the board of directors of the authority, in instruments,
6 obligations, securities, or property determined proper by
7 the board of directors of the authority, and name and use
8 depositories for its money.

9 (r) Employ its own employees or use employees of the
10 authorizing municipality or employees of the parties to
11 intergovernmental agreements.

12 (s) Employ legal and technical experts, other
13 officers, agents, or employees and pay them from the funds
14 of the authority and determine the qualifications, duties,
15 and compensation of those it employs.

16 (t) The board of directors of an authority may delegate
17 to one or more of its members, officers, agents, or
18 employees any powers or duties it considers proper.

19 (u) Reimburse members of the board of directors of the
20 authority for actual and necessary expenses subject to
21 available appropriations.

22 (v) Contract for goods and services and engage
23 personnel as necessary and engage the services of private
24 consultants, managers, legal counsel, engineers, accounts,
25 and auditors for rendering professional financial
26 assistance and advice payable out of any money available to

1 the authority.

2 (w) Prepare the reports or plans the authority
3 considers necessary to assist it in the exercise of its
4 powers under this Act and to monitor and evaluate progress
5 under this Act.

6 (x) Do all other things necessary or convenient to
7 achieve the objectives and purposes of the authority or
8 other laws that relate to the purposes and responsibility
9 of the authority.

10 The enumeration of a power in this Act shall not be
11 construed as a limitation upon the general powers of an
12 authority.

13 Section 35. Acquisition of property. An authority may
14 acquire by gift, devise, transfer, exchange, foreclosure,
15 purchase, or otherwise on terms and conditions and in a manner
16 the authority considers proper, real property within the
17 authority's jurisdiction, or rights or interests in real
18 property within the authority's jurisdiction.

19 An authority may acquire by gift, devise, transfer,
20 exchange, foreclosure, purchase, or otherwise on terms and
21 conditions and in a manner the authority considers proper, real
22 property outside of the authority's jurisdiction pursuant to an
23 intergovernmental agreement, or rights or interests in real
24 property outside of the authority's jurisdiction pursuant to an
25 intergovernmental agreement.

1 An authority may acquire by gift, devise, transfer,
2 exchange, foreclosure, purchase, or otherwise on terms and
3 conditions and in a manner the authority considers proper,
4 personal property, or rights or interests in personal property.

5 Real property acquired by an authority by purchase may be
6 by purchase contract, lease purchase agreement, installment
7 sales contract, land contract, or otherwise.

8 An authority may hold and own in its name any property
9 acquired by it or conveyed to it by this State, a foreclosing
10 governmental unit, a unit of local government, an
11 intergovernmental entity created under the laws of this State,
12 or any other public or private person, including, but not
13 limited to, property without clear title.

14 All deeds, mortgages, contracts, leases, purchases, or
15 other agreements regarding property of an authority, including
16 agreements to acquire or dispose of real property, shall be
17 approved by and executed in the name of the authority.

18 The authority shall have the right to purchase properties
19 at tax sales conducted in accordance with Division 3.5 of the
20 Property Tax Code.

21 (a) The authority may tender a bid at a tax sale that
22 is a credit bid, consisting of the obligation of the
23 authority to satisfy the component parts of the bid by
24 payments to the respective political subdivisions.

25 (b) A bid by the authority at a tax sale for the
26 minimum amount shall take priority over all other bids for

1 the same property.

2 Section 40. Taxes. When a property is acquired by the
3 authority, the authority shall have the power to extinguish all
4 outstanding county and city or consolidated government taxes,
5 including school district taxes, at the time it sells or
6 otherwise disposes of property.

7 Property of an authority is public property devoted to an
8 essential public and governmental function and purpose. Income
9 of the authority is considered to be for a public and
10 governmental purpose. The property of the authority and its
11 income and operation are exempt from all taxes and special
12 assessments of this State and all units of local government.
13 Bonds or notes issued by the authority, and the interest on and
14 income from those bonds and notes, are exempt from all taxation
15 of this State or a unit of local government.

16 Section 45. Disposition. The authority may convey, sell,
17 transfer, exchange, lease as lessor, or otherwise dispose of
18 property or rights or interests in property to which the
19 authority holds a legal interest to any public or private
20 person for value determined by the authority.

21 Section 50. Receipt of taxes. All moneys received by an
22 authority as payment of taxes, penalties, or interest, or from
23 the redemption or sale of property subject to a tax lien of any

1 taxing unit shall be returned to the appropriate local tax
2 collecting unit in which the property is located.

3 Section 55. Proceeds. Except as otherwise provided in this
4 Act, as required by other law, as required under the provisions
5 of a deed, or as an authority otherwise agrees, any proceeds
6 received by the authority may be retained by the authority for
7 the purposes of this Act.

8 Section 60. Record maintenance. The authority shall
9 maintain a written inventory of all property held by the
10 authority. The property shall be inventoried and classified by
11 the authority according to title status and suitability for
12 use. The inventory shall be available for public inspection
13 during regular business hours.

14 For each property held, the authority shall establish and
15 maintain itemized records and accounts reflecting all
16 transactions, expenditures, and revenues relating to all
17 property held by the authority.

18 Section 65. The Property Tax Code is amended by adding
19 Sections 21-231 and 22-40 as follows:

20 (35 ILCS 200/21-231 new)

21 Sec. 21-231. Notice of sales and redemptions. When any
22 property is sold, the county clerk shall send notice of the

1 sale to the municipal clerk of the jurisdiction where the
2 property is located of the name of the purchaser and the amount
3 of the final bid. When any property is redeemed from sale, the
4 county clerk shall send notice to the municipal clerk of the
5 jurisdiction where the property is located of the name of the
6 person redeeming and the redemption date. These notices must be
7 sent by registered or certified mail within 30 days after sale
8 or redemption.

9 (35 ILCS 200/22-40)

10 Sec. 22-40. Issuance of deed; possession.

11 (a) If the redemption period expires and the property has
12 not been redeemed and all taxes and special assessments which
13 became due and payable subsequent to the sale have been paid
14 and all forfeitures and sales which occur subsequent to the
15 sale have been redeemed and the notices required by law have
16 been given and all advancements of public funds under the
17 police power made by a city, village or town under Section
18 22-35 have been paid and the petitioner has complied with all
19 the provisions of law entitling him or her to a deed, the court
20 shall so find and shall enter an order directing the county
21 clerk on the production of the certificate of purchase and a
22 certified copy of the order, to issue to the purchaser or his
23 or her assignee a tax deed. The court shall insist on strict
24 compliance with Section 22-10 through 22-25. Prior to the entry
25 of an order directing the issuance of a tax deed, the

1 petitioner shall furnish the court with a report of proceedings
2 of the evidence received on the application for tax deed and
3 the report of proceedings shall be filed and made a part of the
4 court record.

5 (b) If taxes for years prior to the year or years sold are
6 or become delinquent subsequent to the date of sale, the court
7 shall find that the lien of those delinquent taxes has been or
8 will be merged into the tax deed grantee's title if the court
9 determines that the tax deed grantee or any prior holder of the
10 certificate of purchase, or any person or entity under common
11 ownership or control with any such grantee or prior holder of
12 the certificate of purchase, was at no time the holder of any
13 certificate of purchase for the years sought to be merged. If
14 delinquent taxes are merged into the tax deed pursuant to this
15 subsection, the court shall enter an order declaring which
16 specific taxes have been or will be merged into the tax deed
17 title and directing the county treasurer and county clerk to
18 reflect that declaration in the warrant and judgment records;
19 provided, that no such order shall be effective until a tax
20 deed has been issued and timely recorded. Nothing contained in
21 this Section shall relieve any owner liable for delinquent
22 property taxes under this Code from the payment of the taxes
23 that have been merged into the title upon issuance of the tax
24 deed.

25 (c) The county clerk is entitled to a fee of \$10 in
26 counties of 3,000,000 or more inhabitants and \$5 in counties

1 with less than 3,000,000 inhabitants for the issuance of the
2 tax deed. The clerk may not include in a tax deed more than one
3 property as listed, assessed and sold in one description,
4 except in cases where several properties are owned by one
5 person.

6 Upon application the court shall, enter an order to place
7 the tax deed grantee or the grantee's successor in interest in
8 possession of the property and may enter orders and grant
9 relief as may be necessary or desirable to maintain the grantee
10 or the grantee's successor in interest in possession.

11 (d) The court shall retain jurisdiction to enter orders
12 pursuant to subsections (b) and (c) of this Section. This
13 amendatory Act of the 92nd General Assembly and this amendatory
14 Act of the 95th General Assembly shall be construed as being
15 declarative of existing law and not as a new enactment.

16 (e) When the deed is issued, the county clerk shall send
17 notice to the municipal clerk where the property is located of
18 the full name and the true post office address and residence of
19 the grantee. The notice must be sent by registered or certified
20 mail within 30 days after the issuance of the deed.

21 (Source: P.A. 95-477, eff. 6-1-08.)

22 Section 70. The Illinois Municipal Code is amended by
23 changing Sections 11-20-7 and 11-20-13 and by adding Sections
24 11-20-15, 11-20-16, and 11-20-17 as follows:

1 (65 ILCS 5/11-20-7) (from Ch. 24, par. 11-20-7)

2 Sec. 11-20-7. Cutting of weeds. The corporate authorities
3 of each municipality may provide for the cutting of weeds or
4 grass, the trimming of trees or bushes, and the removal of
5 nuisance bushes or trees in the municipality, when the owners
6 of real estate refuse or neglect to cut, trim, or remove them
7 and to collect from the owners of private property the
8 reasonable cost thereof. This cost, including any associated
9 fees and other costs related to the enforcement of this
10 Section, is a lien upon the real estate affected, superior to
11 all other liens and encumbrances, except tax liens; provided
12 that within 60 days after such cost and expense is incurred the
13 municipality, or person performing the service by authority of
14 the municipality, in his or its own name, files notice of lien
15 in the office of the recorder in the county in which such real
16 estate is located or in the office of the Registrar of Titles
17 of such county if the real estate affected is registered under
18 the Torrens system. The notice shall consist of a sworn
19 statement setting out (1) a description of the real estate
20 sufficient for identification thereof, (2) the amount of money
21 representing the cost and expense incurred or payable for the
22 service, and (3) the date or dates when such cost and expense
23 was incurred by the municipality. However, the lien of such
24 municipality shall not be valid as to any purchaser whose
25 rights in and to such real estate have arisen subsequent to the
26 cutting of weeds or grass, the trimming of trees or bushes, or

1 the removal of nuisance bushes or trees and prior to the filing
2 of such notice, ~~and the lien of such municipality shall not be~~
3 ~~valid as to any mortgagee, judgment creditor or other lienor~~
4 ~~whose rights in and to such real estate arise prior to the~~
5 ~~filing of such notice.~~ Upon payment of the cost and expense by
6 the owner of or persons interested in such property after
7 notice of lien has been filed, the lien shall be released by
8 the municipality or person in whose name the lien has been
9 filed and the release may be filed of record as in the case of
10 filing notice of lien.

11 The cost of the cutting, trimming, or removal of weeds,
12 grass, trees, or bushes shall not be lien on the real estate
13 affected unless a notice is personally served on, or sent by
14 certified mail to, the person to whom was sent the tax bill for
15 the general taxes on the property for the last preceding year.
16 The notice shall be delivered or sent after the cutting,
17 trimming, or removal of weeds, grass, trees, or bushes on the
18 property. The notice shall state the substance of this Section
19 and the substance of any ordinance of the municipality
20 implementing this Section and shall identify the property, by
21 common description, and the location of the weeds to be cut.

22 (Source: P.A. 95-183, eff. 8-14-07.)

23 (65 ILCS 5/11-20-13) (from Ch. 24, par. 11-20-13)

24 Sec. 11-20-13. Removal of garbage, debris, and graffiti.

25 The corporate authorities of each municipality may provide for

1 the removal of garbage, debris, and graffiti from private
2 property when the owner of such property, after reasonable
3 notice, refuses or neglects to remove such garbage, debris, and
4 graffiti and may collect from such owner the reasonable cost
5 thereof except in the case of graffiti. This cost, including
6 any associated fees and other costs related to the enforcement
7 of this Section, is a lien upon the real estate affected,
8 superior to all subsequent liens and encumbrances, except tax
9 liens, if within 60 days after such cost and expense is
10 incurred the municipality, or person performing the service by
11 authority of the municipality, in his or its own name, files
12 notice of lien in the office of the recorder in the county in
13 which such real estate is located or in the office of the
14 Registrar of Titles of such county if the real estate affected
15 is registered under "An Act concerning land titles", approved
16 May 1, 1897, as amended. The notice shall consist of a sworn
17 statement setting out (1) a description of the real estate
18 sufficient for identification thereof, (2) the amount of money
19 representing the cost and expense incurred or payable for the
20 service, and (3) the date or dates when such cost and expense
21 was incurred by the municipality. However, the lien of such
22 municipality shall not be valid as to any purchaser whose
23 rights in and to such real estate have arisen subsequent to
24 removal of the garbage and debris and prior to the filing of
25 such notice, ~~and the lien of such municipality shall not be~~
26 ~~valid as to any mortgagee, judgment creditor or other lienor~~

1 ~~whose rights in and to such real estate arise prior to the~~
2 ~~filing of such notice.~~ Upon payment of the cost and expense by
3 the owner of or persons interested in such property after
4 notice of lien has been filed, the lien shall be released by
5 the municipality or person in whose name the lien has been
6 filed and the release may be filed of record as in the case of
7 filing notice of lien. The lien may be enforced by proceedings
8 to foreclose as in case of mortgages or mechanics' liens. An
9 action to foreclose this lien shall be commenced within 2 years
10 after the date of filing notice of lien.

11 This amendatory Act of 1973 does not apply to any
12 municipality which is a home rule unit.

13 (Source: P.A. 90-292, eff. 1-1-98.)

14 (65 ILCS 5/11-20-15 new)

15 Sec. 11-20-15. Vacant and abandoned property ordinances.
16 For the purposes of minimizing the hazards to persons and
17 property resulting from vacant and abandoned property, the
18 corporate authority of each municipality may prescribe rules,
19 regulations, or ordinances for the maintenance of vacant and
20 abandoned property. The corporate authorities of a
21 municipality may impose registration fees for vacant and
22 abandoned property and fines for failure to comply with the
23 rules, regulations, or ordinances enacted pursuant to this
24 Section.

1 (65 ILCS 5/11-20-16 new)

2 Sec. 11-20-16. Mortgage beneficiary responsibility.
3 Municipalities may hold responsible for any failure to comply
4 with rules, regulations, or ordinances for the maintenance of
5 vacant and abandoned property (i) any beneficiary or trustee,
6 who holds a deed of trust on a neglected property located
7 within the municipality, or (ii) any mortgagee who holds a
8 mortgage on a neglected property located within the
9 municipality, and has filed a notice of default under Section
10 15-1503 of the Code of Civil Procedure.

11 If a beneficiary or trustee, who holds a deed of trust on a
12 neglected property, or a mortgagee who holds a mortgage on a
13 neglected property, is held responsible for any failure to
14 comply with municipal law, that beneficiary, trustee, or
15 mortgagee may enter the property, after proper notice, to
16 remedy any violation of the rules, regulations, or ordinances
17 for the maintenance of vacant and abandoned property. The
18 beneficiary, trustee, or mortgagee may enter the property only
19 if, 15 days after the beneficiary, trustee, or mortgagee sent
20 proper notice, the property owners and occupants have failed to
21 comply with the rules, regulations, or ordinances at issue.

22 For the purpose of this Section, "neglected" means that
23 there has been no occupant in the property for a period of 6
24 months and 2 or more of the following criteria have been met:

25 (a) Construction was initiated on the property and was
26 discontinued prior to completion, leaving the building

1 unsuitable for occupancy, and no construction has taken
2 place for at least 6 months.

3 (b) At least one installment of property tax is unpaid
4 and delinquent.

5 (c) The property has had more than one uncorrected
6 municipal code violation over the past year.

7 (d) Gas, electric, or water service to the premises has
8 been terminated.

9 (e) Windows or entrances to the premises are boarded up
10 or closed off, or multiple window panes are broken and
11 unrepaired.

12 (f) Doors to the premises are smashed through, broken
13 off, unhinged, or continuously unlocked.

14 (g) Rubbish, trash, or debris has accumulated on the
15 premises.

16 (h) The police or sheriff's office has received at
17 least 2 reports of trespassers on the premises, or of
18 vandalism or other illegal acts being committed on the
19 premises in the past 6 months.

20 (i) The property is a nuisance.

21 For the purpose of this Section, "mortgagee" means (i) the
22 holder of an indebtedness, obligee of a non-monetary obligation
23 secured by a mortgage, or any person designated or authorized
24 to act on behalf of such holder and (ii) any person claiming
25 through a mortgagee as successor.

26 For the purpose of this Section, "proper notice" means

1 notice to all property owners and occupants by certified or
2 registered mail stating the intent of the beneficiary, trustee,
3 or mortgagee to enter the property; the notice must be sent at
4 least 15 days before the beneficiary, trustee, or mortgagee
5 enters the property. The notice must specify the municipal law
6 violations the beneficiary, trustee, or mortgagee has been held
7 responsible for by a municipality.

8 For the purpose of this Section, "occupant" means a person
9 in lawful physical possession of all or part of the mortgaged
10 real estate.

11 For the purpose of this Section, "nuisance" means any
12 property that because of its physical condition or use is a
13 public nuisance, or any property that constitutes a blight on
14 the surrounding area, or any property that is not fit for human
15 habitation under the applicable fire, building, and housing
16 codes. "Nuisance" also means any property on which any illegal
17 activity involving controlled substances, methamphetamine, or
18 cannabis takes place or any property on which any
19 streetgang-related activity takes place.

20 (65 ILCS 5/11-20-17 new)

21 Sec. 11-20-17. Care for vacant and abandoned buildings. The
22 corporate authorities of each municipality may (i) provide for
23 property maintenance required to correct violations of
24 municipal vacant and abandoned property rules, regulations,
25 and ordinances that would fall within those rules, regulations,

1 and ordinances contemplated by Section 11-20-15, when the
2 owners of real estate refuse or neglect to correct such
3 violations and (ii) collect from the owners of private property
4 the reasonable cost thereof. This cost, including any
5 associated fees and other costs related to the enforcement of
6 this Section, is a lien upon the real estate affected, superior
7 to all subsequent liens and encumbrances, except tax liens;
8 provided that within 60 days after such cost and expense is
9 incurred the municipality, or person performing the service by
10 authority of the municipality, in that person's own name, file
11 notice of lien in the office of the recorder in the county in
12 which the real estate is located or in the office of the
13 Registrar of Titles of the county if the real estate affected
14 is registered under the Torrens system. The notice shall
15 consist of a sworn statement setting out (i) a description of
16 the real estate sufficient for identification thereof, (ii) the
17 amount of money representing the cost and expense incurred or
18 payable for the service, and (iii) the date or dates when the
19 cost and expense was incurred by the municipality. However, the
20 lien of the municipality shall not be valid as to any purchaser
21 whose rights in and to the real estate have arisen subsequent
22 to the property maintenance and prior to the filing of such
23 notice. Upon payment of the cost and expense by the owner of or
24 persons interested in the property after notice of lien has
25 been filed, the lien shall be released by the municipality or
26 person in whose name the lien has been filed and the release

1 may be filed of record as in the case of filing notice of lien.
2 The lien may be enforced by proceedings to foreclose as in case
3 of mortgages or mechanics' liens. An action to foreclose this
4 lien shall be commenced within 2 years after the date of filing
5 notice of lien.

6 Section 75. The Code of Civil Procedure is amended by
7 adding Section 15-1503.5 and by changing Section 15-1508 as
8 follows:

9 (735 ILCS 5/15-1503.5 new)

10 Sec. 15-1503.5. Notice of foreclosure to municipalities;
11 servicer duties.

12 (a) The municipality within the boundaries of which the
13 property is located shall be provided notice of foreclosure;
14 and all parties shall include the clerk of that municipality in
15 any mailings or notices associated with foreclosure
16 proceedings concerning property within the municipality's
17 boundaries. All notices must be sent by registered or certified
18 mail. The municipality shall not be joined as a party unless
19 the municipality is joined as a party under other provisions of
20 this Section.

21 When notice of foreclosure is sent to a municipality, it
22 shall include (i) the names of all plaintiffs and the case
23 number, (ii) the court in which the action was brought, (iii)
24 the names of title holders of record, (iv) a legal description

1 of the real estate sufficient to identify it with reasonable
2 certainty, (v) a common address or description of the location
3 of the real estate, (vi) identification of the mortgage sought
4 to be foreclosed, (vii) the name, address, and phone number of
5 the servicer, servicer's agent, or servicer's representative,
6 and (viii) the name of a natural person, 21 years of age or
7 older, who maintains a permanent residence in Illinois and who
8 can be contacted by the municipality to answer questions
9 relating to the maintenance of the property. The notice must be
10 sent within 10 days after the filing of a notice of foreclosure
11 under Section 15-1503 with the county in which the mortgaged
12 real estate is located.

13 If, before a foreclosure sale is completed, there is a
14 change in any of the relevant required information, such as
15 name, phone number, agent, or local representative, then new
16 notice must be sent to the municipality informing the
17 municipality of the change. The notice must be sent within 30
18 days of the change.

19 (b) Servicers have the following duties in replying to
20 municipal inquiries:

21 (1) In general. If any servicer of a loan receives a
22 qualified written request from a municipality for
23 information relating to the maintenance of the property
24 covered by the loan, the servicer shall provide a written
25 response acknowledging the receipt of the correspondence
26 within 20 days (excluding public holidays, Saturdays, and

1 Sundays) unless the action requested is taken within that
2 period.

3 (2) Qualified written request. For the purposes of this
4 subsection, a qualified written request shall be a written
5 correspondence that includes, or otherwise enables the
6 servicer to identify, the name and account of the borrower.

7 (3) Action with respect to inquiry. Not later than 60
8 days (excluding legal public holidays, Saturdays, and
9 Sundays) after the receipt from any municipality of any
10 qualified written request the servicer shall provide the
11 information requested.

12 Any person, partnership, association, corporation, or
13 other entity that violates any provision of this subsection
14 commits a business offense and shall be fined an amount not to
15 exceed \$25,000 by the Commissioner of Banks and Real Estate or
16 a person authorized by the Commissioner, the Office of Banks
17 and Real Estate Act, or this Act to act in the Commissioner's
18 stead.

19 (c) For the purposes of this Section, the term "servicer"
20 means the person responsible for servicing of a loan. The term
21 includes the person who makes or holds a loan if that person
22 also services the loan.

23 For the purposes of this Section, the term "servicing"
24 means the collection or remittance or the right or obligation
25 to collect or remit for any lender, noteowner, noteholder, or
26 for a licensee's own account, of payments, interest, principal,

1 and trust items such as hazard insurance and taxes on a
2 residential mortgage loan in accordance with the terms of the
3 residential mortgage loan; and includes loan payment
4 follow-up, delinquency loan follow-up, loan analysis, and any
5 notifications to the borrower that are necessary to enable the
6 borrower to keep the loan current and in good standing.

7 (735 ILCS 5/15-1508) (from Ch. 110, par. 15-1508)

8 Sec. 15-1508. Report of Sale and Confirmation of Sale.

9 (a) Report.

10 (1) The person conducting the sale shall promptly make
11 a report to the court, which report shall include a copy of
12 all receipts and, if any, certificate of sale.

13 (2) The person conducting the sale shall promptly make
14 a report to the municipality, which report shall include
15 the name of the party purchasing the property if the
16 property is sold, or the name of the resulting
17 property-holding entity if there is no sale. Such a report
18 must be sent by registered or certified mail within 30 days
19 after the sale proceeding.

20 (b) Hearing. Upon motion and notice in accordance with
21 court rules applicable to motions generally, which motion shall
22 not be made prior to sale, the court shall conduct a hearing to
23 confirm the sale. Unless the court finds that (i) a notice
24 required in accordance with subsection (c) of Section 15-1507
25 was not given, (ii) the terms of sale were unconscionable,

1 (iii) the sale was conducted fraudulently or (iv) that justice
2 was otherwise not done, the court shall then enter an order
3 confirming the sale. The confirmation order may also:

4 (1) approve the mortgagee's fees and costs arising
5 between the entry of the judgment of foreclosure and the
6 confirmation hearing, those costs and fees to be allowable
7 to the same extent as provided in the note and mortgage and
8 in Section 15-1504;

9 (2) provide for a personal judgment against any party
10 for a deficiency; and

11 (3) determine the priority of the judgments of parties
12 who deferred proving the priority pursuant to subsection
13 (h) of Section 15-1506, but the court shall not defer
14 confirming the sale pending the determination of such
15 priority.

16 (b-5) Notice with respect to residential real estate. With
17 respect to residential real estate, the notice required under
18 subsection (b) of this Section shall be sent to the mortgagor
19 even if the mortgagor has previously been held in default. In
20 the event the mortgagor has filed an appearance, the notice
21 shall be sent to the address indicated on the appearance. In
22 all other cases, the notice shall be sent to the mortgagor at
23 the common address of the foreclosed property. The notice shall
24 be sent by first class mail. Unless the right to possession has
25 been previously terminated by the court, the notice shall
26 include the following language in 12-point boldface

1 capitalized type:

2 IF YOU ARE THE MORTGAGOR (HOMEOWNER), YOU HAVE THE RIGHT TO
3 REMAIN IN POSSESSION FOR 30 DAYS AFTER ENTRY OF AN ORDER OF
4 POSSESSION, IN ACCORDANCE WITH SECTION 15-1701(c) OF THE
5 ILLINOIS MORTGAGE FORECLOSURE LAW.

6 (c) Failure to Give Notice. If any sale is held without
7 compliance with subsection (c) of Section 15-1507 of this
8 Article, any party entitled to the notice provided for in
9 paragraph (3) of that subsection (c) who was not so notified
10 may, by motion supported by affidavit made prior to
11 confirmation of such sale, ask the court which entered the
12 judgment to set aside the sale, provided that such party shall
13 guarantee or secure by bond a bid equal to the successful bid
14 at the prior sale. Any subsequent sale is subject to the same
15 notice requirement as the original sale.

16 (d) Validity of Sale. Except as provided in subsection (c)
17 of Section 15-1508, no sale under this Article shall be held
18 invalid or be set aside because of any defect in the notice
19 thereof or in the publication of the same, or in the
20 proceedings of the officer conducting the sale, except upon
21 good cause shown in a hearing pursuant to subsection (b) of
22 Section 15-1508. At any time after a sale has occurred, any
23 party entitled to notice under paragraph (3) of subsection (c)
24 of Section 15-1507 may recover from the mortgagee any damages
25 caused by the mortgagee's failure to comply with such paragraph
26 (3). Any party who recovers damages in a judicial proceeding

1 brought under this subsection may also recover from the
2 mortgagee the reasonable expenses of litigation, including
3 reasonable attorney's fees.

4 (e) Deficiency Judgment. In any order confirming a sale
5 pursuant to the judgment of foreclosure, the court shall also
6 enter a personal judgment for deficiency against any party (i)
7 if otherwise authorized and (ii) to the extent requested in the
8 complaint and proven upon presentation of the report of sale in
9 accordance with Section 15-1508. Except as otherwise provided
10 in this Article, a judgment may be entered for any balance of
11 money that may be found due to the plaintiff, over and above
12 the proceeds of the sale or sales, and enforcement may be had
13 for the collection of such balance, the same as when the
14 judgment is solely for the payment of money. Such judgment may
15 be entered, or enforcement had, only in cases where personal
16 service has been had upon the persons personally liable for the
17 mortgage indebtedness, unless they have entered their
18 appearance in the foreclosure action.

19 (f) Satisfaction. Upon confirmation of the sale, the
20 judgment stands satisfied to the extent of the sale price less
21 expenses and costs. If the order confirming the sale includes a
22 deficiency judgment, the judgment shall become a lien in the
23 manner of any other judgment for the payment of money.

24 (g) The order confirming the sale shall include,
25 notwithstanding any previous orders awarding possession during
26 the pendency of the foreclosure, an award to the purchaser of

1 possession of the mortgaged real estate, as of the date 30 days
2 after the entry of the order, against the parties to the
3 foreclosure whose interests have been terminated.

4 An order of possession authorizing the removal of a person
5 from possession of the mortgaged real estate shall be entered
6 and enforced only against those persons personally named as
7 individuals in the complaint or the petition under subsection
8 (h) of Section 15-1701 and in the order of possession and shall
9 not be entered and enforced against any person who is only
10 generically described as an unknown owner or nonrecord claimant
11 or by another generic designation in the complaint.

12 Notwithstanding the preceding paragraph, the failure to
13 personally name, include, or seek an award of possession of the
14 mortgaged real estate against a person in the confirmation
15 order shall not abrogate any right that the purchaser may have
16 to possession of the mortgaged real estate and to maintain a
17 proceeding against that person for possession under Article 9
18 of this Code or subsection (h) of Section 15-1701; and
19 possession against a person who (1) has not been personally
20 named as a party to the foreclosure and (2) has not been
21 provided an opportunity to be heard in the foreclosure
22 proceeding may be sought only by maintaining a proceeding under
23 Article 9 of this Code or subsection (h) of Section 15-1701.

24 (Source: P.A. 95-826, eff. 8-14-08.)