



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB2360

Introduced 2/19/2009, by Rep. LaShawn K. Ford

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Illinois Homeowner's Emergency Assistance Program Act. Contains provisions concerning the powers and duties of the Illinois Housing Development Authority with respect to the Act, the eligibility of a homeowner for assistance under the Act, the assistance payments for eligible homeowners, and funding for the program. Provides that the Act is repealed on January 1, 2011. Effective immediately.

LRB096 09284 MJR 19438 b

1 AN ACT concerning regulation.

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 Homeowner's Emergency Assistance Program Act.

6 Section 5. Illinois Housing Development Authority; powers;  
7 duties.

8 (a) The Illinois Housing Development Authority shall have  
9 the power to issue grants to residents of Illinois who are  
10 eligible for assistance as described in this Act.

11 (b) The Authority shall implement and administer the  
12 program established by this Act.

13 (c) The Authority shall ensure that a homeowner receiving  
14 assistance under this Act has received counseling from a  
15 HUD-certified housing counseling agency.

16 Section 10. Definitions. For purposes of this Act:

17 "Authority" means the Illinois Housing Development  
18 Authority.

19 "Counseling" means in-person counseling provided by a  
20 counselor employed by a HUD-certified housing counseling  
21 agency or, where a hardship would be imposed on a homeowner,  
22 documented telephone counseling. A hardship exists if the

1 homeowner is confined to his or her home due to a medical  
2 condition, as verified in writing by a physician, or the  
3 homeowner resides 50 miles or more from the nearest  
4 participating HUD-certified housing counseling agency. In  
5 instances of telephone counseling, the homeowner must supply  
6 any necessary documents to the counselor at least 72 hours  
7 prior to the scheduled telephone counseling session.

8 "Counselor" means a counselor employed by a HUD-certified  
9 housing counseling agency.

10 "Lender" means that term as it is defined in Section 1-4 of  
11 the Residential Mortgage License Act of 1987.

12 "Good faith" means honesty in fact in the conduct or  
13 transaction concerned.

14 Section 15. Eligibility for assistance.

15 (a) No assistance may be given to a homeowner pursuant to  
16 this Act unless:

17 (1) The property securing the mortgage is the  
18 homeowner's primary residence.

19 (2) The homeowner is a resident of this State and his  
20 or her property is being foreclosed due to failure to make  
21 mortgage payments.

22 (3) The lender agrees to halt foreclosure proceedings  
23 upon written notification by the Authority that a homeowner  
24 has been approved for assistance.

25 (4) The homeowner's household income is less than 120%

1 of area median income determined by the U.S. Department of  
2 Housing and Urban Development.

3 (5) The mortgage lender agrees to renegotiate in good  
4 faith the terms of the mortgage being foreclosed upon  
5 written notification that the homeowner has been approved  
6 by the Authority.

7 (6) The homeowner has attended a counseling session  
8 that was provided by a HUD-certified housing counseling  
9 agency.

10 (7) The borrower is a resident of this State.

11 (8) The homeowner agrees to defend and indemnify and  
12 hold harmless the Authority from and against any and all  
13 damages arising out the Authority's payment on behalf of  
14 the borrower.

15 (9) The lender agrees to defend and indemnify and hold  
16 harmless the Authority from and against any and all damages  
17 arising out the Authority's payment on behalf of the  
18 borrower.

19 (b) Upon a determination that the conditions of eligibility  
20 described in this Act have been met, and funds for assistance  
21 are available, the homeowner shall become eligible for the  
22 assistance described in Section 20 of this Act.

23 Section 20. Assistance payments.

24 (a) If the Authority determines that a homeowner is  
25 eligible for assistance under this program, the Authority shall

1 pay directly to each lender payments on behalf of the homeowner  
2 seeking assistance under the program. This amount shall  
3 include, but not be limited to, delinquencies of principal,  
4 interest, taxes, assessments, ground rents, hazard insurance,  
5 mortgage insurance, and credit insurance premiums.

6 (b) An eligible applicant may not receive a grant in excess  
7 of \$6,000, or the sum of 3 monthly mortgage payments on the  
8 property, whichever is less.

9 (c) Grants made under this Act may only be used to satisfy  
10 mortgage financing with a first lien position.

11 Section 25. Program funding.

12 (a) The Authority shall use only funds specifically  
13 appropriated by the General Assembly for the purposes of this  
14 Act to make payments to lenders, to provide reimbursement to  
15 HUD-certified housing counseling agencies for costs incurred  
16 in assisting borrowers, and to reimburse the Authority for  
17 administration of the program. Assistance under this Act shall  
18 not be available at any time the Authority does not have funds  
19 currently available to approve applications for emergency  
20 mortgage assistance.

21 (b) This Act is subject to appropriation; however, at no  
22 time shall the cumulative amount of grants issued under this  
23 program exceed \$3,000,000 in a calendar year.

24 Section 30. Repealer. This Act is repealed on January 1,

1 2011.

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