

# HB1565



## 100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB1565

by Rep. Michael J. Madigan

### SYNOPSIS AS INTRODUCED:

815 ILCS 137/15

Amends the High Risk Home Loan Act. Makes a technical change in a Section concerning the prohibition on certain home loans.

LRB100 03439 JLS 13444 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 High Risk Home Loan Act is amended by  
5 changing Section 15 as follows:

6 (815 ILCS 137/15)

7 Sec. 15. Ability to repay. A creditor or broker shall not  
8 transfer, deal in, offer, or make a high risk home loan if the  
9 ~~the~~ creditor or broker does not believe at the time the loan is  
10 consummated that the borrower will be able to make the  
11 scheduled payments to repay the obligation based upon a  
12 consideration of his or her current and expected income,  
13 current obligations, employment status, and other financial  
14 resources (other than the borrower's equity in the dwelling  
15 that secures repayment of the loan). A borrower shall be  
16 presumed to be able to repay the loan if, at the time the loan  
17 is consummated, or at the time of the first rate adjustment, in  
18 the case of a lower introductory interest rate, the borrower's  
19 scheduled monthly payments on the loan (including principal,  
20 interest, taxes, insurance, and assessments), combined with  
21 the scheduled payments for all other disclosed debts, do not  
22 exceed 50% of the borrower's monthly gross income.

23 (Source: P.A. 93-561, eff. 1-1-04.)