



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB1722

Introduced 2/15/2019, by Sen. Cristina Castro

SYNOPSIS AS INTRODUCED:

20 ILCS 3805/7.30

Amends the Illinois Housing Development Act. Provides that an approved community-based organization that is a legal services provider may not use Foreclosure Prevention funds to provide legal representation or advice in a civil proceeding or court-sponsored mediation services. In the definition of "approved community-based organization", provides that a governmental agency is not an approved community-based organization (rather than "approved community-based organization" does not include a not-for-profit corporation or other entity or person that provides legal representation or advice in a civil proceeding or court-sponsored mediation services, or a governmental agency). Includes, in the definition of "approved foreclosure prevention outreach program", a program developed by an approved community-based organization that includes telephone contact with residents and a program to provide education about the options of a tenant living in a property undergoing foreclosure. Effective immediately.

LRB101 10298 KTG 56296 b

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Housing Development Act is amended
5 by changing Section 7.30 as follows:

6 (20 ILCS 3805/7.30)

7 Sec. 7.30. Foreclosure Prevention Program.

8 (a) The Authority shall establish and administer a
9 Foreclosure Prevention Program. The Authority shall use moneys
10 in the Foreclosure Prevention Program Fund, and any other funds
11 appropriated for this purpose, to make grants to (i) approved
12 counseling agencies for approved housing counseling and (ii)
13 approved community-based organizations for approved
14 foreclosure prevention outreach programs. The Authority shall
15 promulgate rules to implement this Program and may adopt
16 emergency rules as soon as practicable to begin implementation
17 of the Program.

18 (b) Subject to appropriation and the annual receipt of
19 funds, the Authority shall make grants from the Foreclosure
20 Prevention Program Fund derived from fees paid as specified in
21 subsection (a) of Section 15-1504.1 of the Code of Civil
22 Procedure as follows:

23 (1) 25% of the moneys in the Fund shall be used to make

1 grants to approved counseling agencies that provide
2 services in Illinois outside of the City of Chicago. Grants
3 shall be based upon the number of foreclosures filed in an
4 approved counseling agency's service area, the capacity of
5 the agency to provide foreclosure counseling services, and
6 any other factors that the Authority deems appropriate.

7 (2) 25% of the moneys in the Fund shall be distributed
8 to the City of Chicago to make grants to approved
9 counseling agencies located within the City of Chicago for
10 approved housing counseling or to support foreclosure
11 prevention counseling programs administered by the City of
12 Chicago.

13 (3) 25% of the moneys in the Fund shall be used to make
14 grants to approved community-based organizations located
15 outside of the City of Chicago for approved foreclosure
16 prevention outreach programs.

17 (4) 25% of the moneys in the Fund shall be used to make
18 grants to approved community-based organizations located
19 within the City of Chicago for approved foreclosure
20 prevention outreach programs, with priority given to
21 programs that provide door-to-door outreach.

22 (b-1) Subject to appropriation and the annual receipt of
23 funds, the Authority shall make grants from the Foreclosure
24 Prevention Program Graduated Fund derived from fees paid as
25 specified in paragraph (1) of subsection (a-5) of Section
26 15-1504.1 of the Code of Civil Procedure, as follows:

1 (1) 30% shall be used to make grants for approved
2 housing counseling in Cook County outside of the City of
3 Chicago;

4 (2) 25% shall be used to make grants for approved
5 housing counseling in the City of Chicago;

6 (3) 30% shall be used to make grants for approved
7 housing counseling in DuPage, Kane, Lake, McHenry, and Will
8 Counties; and

9 (4) 15% shall be used to make grants for approved
10 housing counseling in Illinois in counties other than Cook,
11 DuPage, Kane, Lake, McHenry, and Will Counties provided
12 that grants to provide approved housing counseling to
13 borrowers residing within these counties shall be based, to
14 the extent practicable, (i) proportionately on the amount
15 of fees paid to the respective clerks of the courts within
16 these counties and (ii) on any other factors that the
17 Authority deems appropriate.

18 The percentages set forth in this subsection (b-1) shall be
19 calculated after deduction of reimbursable administrative
20 expenses incurred by the Authority, but shall not be greater
21 than 4% of the annual appropriated amount.

22 An approved community-based organization that is a legal
23 services provider may not use Foreclosure Prevention funds to
24 provide legal representation or advice in a civil proceeding or
25 court-sponsored mediation services.

26 (b-5) As used in this Section:

1 "Approved community-based organization" means a
2 not-for-profit entity that provides educational and financial
3 information to residents of a community through in-person
4 contact. A "Approved community-based organization" does not
5 include a not for profit corporation or other entity or person
6 that provides legal representation or advice in a civil
7 proceeding or court sponsored mediation services, or a
8 governmental agency is not an approved community-based
9 organization for purposes of the Program.

10 "Approved foreclosure prevention outreach program" means a
11 program developed by an approved community-based organization
12 that includes in-person or telephone contact with residents to
13 provide (i) pre-purchase and post-purchase home ownership
14 counseling, (ii) education about the foreclosure process and
15 the options of a mortgagor in a foreclosure proceeding or the
16 options of a tenant living in a property undergoing
17 foreclosure, or ~~and~~ (iii) programs developed by an approved
18 community-based organization in conjunction with a State or
19 federally chartered financial institution.

20 "Approved counseling agency" means a housing counseling
21 agency approved by the U.S. Department of Housing and Urban
22 Development.

23 "Approved housing counseling" means in-person counseling
24 provided by a counselor employed by an approved counseling
25 agency to all borrowers, or documented telephone counseling
26 where a hardship would be imposed on one or more borrowers. A

1 hardship shall exist in instances in which the borrower is
2 confined to his or her home due to a medical condition, as
3 verified in writing by a physician, advanced practice
4 registered nurse, or physician assistant, or the borrower
5 resides 50 miles or more from the nearest approved counseling
6 agency. In instances of telephone counseling, the borrower must
7 supply all necessary documents to the counselor at least 72
8 hours prior to the scheduled telephone counseling session.

9 (c) (Blank).

10 (c-5) Where the jurisdiction of an approved counseling
11 agency is included within more than one of the geographic areas
12 set forth in this Section, the Authority may elect to fully
13 fund the applicant from one of the relevant geographic areas.

14 (Source: P.A. 99-581, eff. 1-1-17; 100-513, eff. 1-1-18.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.