



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3925

Introduced 2/6/2026, by Sen. Mike Porfirio

SYNOPSIS AS INTRODUCED:

65 ILCS 95/11

from Ch. 24, par. 1611

Amends the Home Equity Assurance Act. Provides that a governing commission may establish a program to provide a one-time per household direct relief payment in the form of a rebate to a member who owns a residence that is subject to flood damage. Provides that the governing commission may establish a limit on the amount of rebates that may be issued under this subsection. Provides that members shall be required to submit qualified receipts to the governing showing costs incurred as a result of flood damage to receive a rebate under the rebate program established under the provisions. Provides that the rebate shall provide up to 50% reimbursement, but shall not exceed \$1,000. Provides that the rebate program shall last for 3 years unless reapproved by the governing commission.

LRB104 20718 RTM 34219 b

1 AN ACT concerning local government.

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

4 Section 5. The Home Equity Assurance Act is amended by
5 changing Section 11 as follows:

6 (65 ILCS 95/11) (from Ch. 24, par. 1611)

7 Sec. 11. Guarantee Fund.

8 (a) Each governing commission and program created by
9 referendum under the provisions of this Act shall maintain a
10 guarantee fund for the purposes of paying the costs of
11 administering the program and extending protection to members
12 pursuant to the limitations and procedures set forth in this
13 Act.

14 (b) The guarantee fund shall be raised by means of an
15 annual tax levied on all residential property within the
16 territory of the program having at least one, but not more than
17 6 dwelling units and classified by county ordinance as
18 residential. The rate of this tax may be changed from year to
19 year by majority vote of the governing commission but in no
20 case shall it exceed a rate of .12% of the equalized assessed
21 valuation of all property in the territory of the program
22 having at least one, but not more than 6 dwelling units and
23 classified by county ordinance as residential, or the maximum

1 tax rate approved by the voters of the territory at the
2 referendum which created the program or, in the case of a
3 merged program, the maximum tax rate approved by the voters at
4 the referendum authorizing the merger, whichever rate is
5 lower. The commissioners shall cause the amount to be raised
6 by taxation in each year to be certified to the county clerk in
7 the manner provided by law, and any tax so levied and certified
8 shall be collected and enforced in the same manner and by the
9 same officers as those taxes for the purposes of the county and
10 city within which the territory of the commission is located.
11 Any such tax, when collected, shall be paid over to the proper
12 officer of the commission who is authorized to receive and
13 receipt for such tax. The governing commission may issue tax
14 anticipation warrants against the taxes to be assessed for the
15 calendar year in which the program is created and for the first
16 full calendar year after the creation of the program.

17 (c) The moneys deposited in the guarantee fund shall, as
18 nearly as practicable, be fully and continuously invested or
19 reinvested by the governing commission in investment
20 obligations which shall be in such amounts, and shall mature
21 at such times, that the maturity or date of redemption at the
22 option of the holder of such investment obligations shall
23 coincide, as nearly as practicable, with the times at which
24 monies will be required for the purposes of the program. For
25 the purposes of this Section investment obligation shall mean
26 direct general municipal, state, or federal obligations which

1 at the time are legal investments under the laws of this State
2 and the payment of principal of and interest on which are
3 unconditionally guaranteed by the governing body issuing them.

4 (d) Except as permitted by this subsection and subsection
5 (d-5), the guarantee fund shall be used solely and exclusively
6 for the purpose of providing guarantees to members of the
7 particular Guaranteed Home Equity Program and for reasonable
8 salaries, expenses, bills, and fees incurred in administering
9 the program, and shall be used for no other purpose.

10 A governing commission, with no less than \$4,000,000 in
11 its guarantee fund, may, if authorized (i) by referendum duly
12 adopted by a majority of the voters or (ii) by resolution of
13 the governing commission upon approval by two-thirds of the
14 commissioners, establish a Low Interest Home Improvement Loan
15 Program in accordance with and subject to procedures
16 established by a financial institution, as defined in the
17 Illinois Banking Act. Whenever the question of creating a Low
18 Interest Home Improvement Loan Program is initiated by
19 resolution or ordinance of the corporate authorities of the
20 municipality or by a petition signed by not less than 10% of
21 the total number of registered voters of each precinct in the
22 territory, the registered voters of which are eligible to sign
23 the petition, it shall be the duty of the election authority
24 having jurisdiction over the municipality to submit the
25 question of creating the program to the electors of each
26 precinct within the territory at the regular election

1 specified in the resolution, ordinance, or petition initiating
2 the question. A petition initiating a question described in
3 this subsection shall be filed with the election authority
4 having jurisdiction over the municipality. The petition shall
5 be filed and objections to the petition shall be made in the
6 manner provided in the Election Code. A resolution, ordinance,
7 or petition initiating a question described in this subsection
8 shall specify the election at which the question is to be
9 submitted. The referendum on the question shall be held in
10 accordance with the Election Code. The question shall be in
11 substantially the following form:

12 "Shall the (name of the home equity program) implement
13 a Low Interest Home Improvement Loan Program with money
14 from the guarantee fund of the established guaranteed home
15 equity program?"

16 The votes must be recorded as "Yes" or "No".

17 Whenever a majority of the voters on the public question
18 approve the creation of the program as certified by the proper
19 election authorities or a resolution of the governing
20 commission is approved by a two-thirds majority, the
21 commission shall establish the program and administer the
22 program with funds collected under the Guaranteed Home Equity
23 Program, subject to the following conditions:

24 (1) At any given time, the cumulative total of all
25 loans and loan guarantees (if applicable) issued under
26 this program may not reduce the balance of the guarantee

1 fund to less than \$3,000,000.

2 (2) Only eligible applicants may apply for a loan.

3 (3) The loan must be used for the repair, maintenance,
4 remodeling, alteration, or improvement of a guaranteed
5 residence. This condition is intended to include the
6 repair or maintenance of a guaranteed residence's water
7 and sewer pipes and repair of a guaranteed residence,
8 including, but not limited to, basement repairs, following
9 flooding damage or other natural disaster damage to the
10 property. This condition is not intended to exclude the
11 repair, maintenance, remodeling, alteration, or
12 improvement of a guaranteed residence's landscape. This
13 condition is intended to exclude the demolition of a
14 current residence. This condition is also intended to
15 exclude the construction of a new residence.

16 (4) An eligible applicant may not borrow more than the
17 amount of equity value in his or her residence.

18 (5) A commission must ensure that loans issued are
19 secured with collateral that is at least equal to the
20 amount of the loan or loan guarantee.

21 (6) A commission shall charge an interest rate which
22 it determines to be below the market rate of interest
23 generally available to the applicant.

24 (7) A commission may, by resolution, establish other
25 administrative rules and procedures as are necessary to
26 implement this program including, but not limited to, loan

1 dollar amounts and terms. A commission may also impose on
2 loan applicants a one-time application fee for the purpose
3 of defraying the costs of administering the program.

4 (8) A commission may use loan funds to issue a grant or
5 rebate for repairs, maintenance, remodeling, alteration,
6 or improvement of a guaranteed residence for purposes of
7 preventing or repairing damage as a result of a natural
8 disaster, including, but not limited to, flooding.

9 (d-5) A governing commission, with no less than \$4,000,000
10 in its guarantee fund, may, if authorized by referendum duly
11 adopted by a majority of the voters, establish a Foreclosure
12 Prevention Loan Fund to provide low interest emergency loans
13 to eligible applicants that may be forced into foreclosure
14 proceedings.

15 Whenever the question of creating a Foreclosure Prevention
16 Loan Fund is initiated by resolution or ordinance of the
17 corporate authorities of the municipality or by a petition
18 signed by not less than 10% of the total number of registered
19 voters of each precinct in the territory, the registered
20 voters of which are eligible to sign the petition, it shall be
21 the duty of the election authority having jurisdiction over
22 the municipality to submit the question of creating the
23 program to the electors of each precinct within the territory
24 at the regular election specified in the resolution,
25 ordinance, or petition initiating the question. A petition
26 initiating a question described in this subsection shall be

1 filed with the election authority having jurisdiction over the
2 municipality. The petition shall be filed and objections to
3 the petition shall be made in the manner provided in the
4 Election Code. A resolution, ordinance, or petition initiating
5 a question described in this subsection shall specify the
6 election at which the question is to be submitted. The
7 referendum on the question shall be held in accordance with
8 the Election Code. The question shall be in substantially the
9 following form:

10 "Shall the (name of the home equity program) implement a
11 Foreclosure Prevention Loan Fund with money from the guarantee
12 fund of the established guaranteed home equity program?"

13 The votes must be recorded as "Yes" or "No".

14 Whenever a majority of the voters on the public question
15 approve the creation of a Foreclosure Prevention Loan Fund as
16 certified by the proper election authorities, the commission
17 shall establish the program and administer the program with
18 funds collected under the Guaranteed Home Equity Program,
19 subject to the following conditions:

20 (1) At any given time, the cumulative total of all
21 loans and loan guarantees (if applicable) issued under
22 this program may not exceed \$3,000,000.

23 (2) Only eligible applicants may apply for a loan. The
24 Commission may establish, by resolution, additional
25 criteria for eligibility.

26 (3) The loan must be used to assist with preventing

1 foreclosure proceedings.

2 (4) An eligible applicant may not borrow more than the
3 amount of equity value in his or her residence.

4 (5) A commission must ensure that loans issued are
5 secured as a second lien on the property.

6 (6) A commission shall charge an interest rate which
7 it determines to be below the market rate of interest
8 generally available to the applicant.

9 (7) A commission may, by resolution, establish other
10 administrative rules and procedures as are necessary to
11 implement this program including, but not limited to,
12 eligibility requirements for eligible applicants, loan
13 dollar amounts, and loan terms.

14 (8) A commission may also impose on loan applicants a
15 one-time application fee for the purpose of defraying the
16 costs of administering the program.

17 (d-7) A governing commission may establish a program to
18 provide a one-time per household direct relief payment in the
19 form of a rebate to a member who owns a residence that is
20 subject to flood damage. The governing commission may
21 establish a limit on the amount of rebates that may be issued
22 under this subsection. Members shall be required to submit
23 qualified receipts to the governing showing costs incurred as
24 a result of flood damage to receive a rebate under the rebate
25 program established under this subsection. The rebate shall
26 provide up to 50% reimbursement, but shall not exceed \$1,000.

1 The rebate program shall last for 3 years unless reapproved by
2 the governing commission.

3 (d-10) The Northwest Home Equity Assurance Program may, if
4 authorized (i) by referendum approved by a majority of the
5 voters or (ii) by resolution of the governing commission upon
6 approval by two-thirds of the commissioners, establish a
7 Delinquent Tax Repayment Loan Fund to provide low-interest
8 emergency loans to eligible applicants.

9 If the question of creating a Delinquent Tax Repayment
10 Loan Fund is initiated by resolution or ordinance of the
11 corporate authorities of the municipality or by a petition
12 signed by not less than 10% of the total number of registered
13 voters of each precinct in the territory, the registered
14 voters of which are eligible to sign the petition, it shall be
15 the duty of the election authority having jurisdiction over
16 the municipality to submit the question of creating the
17 program to the electors of each precinct within the territory
18 at the regular election specified in the resolution,
19 ordinance, or petition initiating the question. A resolution,
20 ordinance, or petition initiating a question described in this
21 subsection shall be filed with the election authority having
22 jurisdiction over the municipality. The resolution, ordinance,
23 or petition shall be filed and objections to the resolution,
24 ordinance, or petition shall be made in the manner provided in
25 the Election Code. A resolution, ordinance, or petition
26 initiating a question described in this subsection shall

1 specify the election at which the question is to be submitted.
2 The referendum on the question shall be held in accordance
3 with the Election Code. The question shall be in substantially
4 the following form:

5 "Shall the (name of the home equity program) implement
6 a Delinquent Tax Repayment Loan Fund with money from the
7 guarantee fund of the Northwest Home Equity Assurance
8 Program?"

9 The votes must be recorded as "Yes" or "No".

10 If a majority of the voters on the question approve the
11 creation of a Delinquent Tax Repayment Loan Fund as certified
12 by the proper election authorities or two-thirds of the
13 commissioners, by resolution, approve the creation of a
14 Delinquent Tax Repayment Loan Fund, the commission shall
15 establish the program and administer the program with funds
16 collected under the program, subject to the following
17 conditions:

18 (1) At any given time, the cumulative total of all
19 loans and loan guarantees (if applicable) issued under
20 this program may not exceed \$3,000,000.

21 (2) Only eligible applicants may apply for a loan. The
22 commission may establish, by resolution, additional
23 criteria for eligibility.

24 (3) The loan must be used to assist with repayment of
25 delinquent property taxes and for those facing imminent
26 delinquency.

1 (4) An eligible applicant may not borrow more than the
2 amount due to the treasurer's office.

3 (5) A commission shall charge an interest rate which
4 it determines to be below the market rate of interest
5 generally available to the applicant.

6 (6) A commission may, by resolution, establish other
7 administrative rules and procedures as are necessary to
8 implement this program including, but not limited to,
9 eligibility requirements for eligible applicants, loan
10 dollar amounts, and loan terms.

11 (7) Where practicable, it shall be required that a
12 borrower obtain free housing counseling services prior to
13 applying to this tax program for the purpose of assisting
14 with budgeting and providing a recommendation as to
15 whether this client is suited for this program.

16 (8) A commission may also impose on loan applicants a
17 one-time application fee for the purpose of defraying the
18 costs of administering the program.

19 (e) The guarantee fund shall be maintained, invested, and
20 expended exclusively by the governing commission of the
21 program for whose purposes it was created. Under no
22 circumstance shall the guarantee fund be used by any person or
23 persons, governmental body, or public or private agency or
24 concern other than the governing commission of the program for
25 whose purposes it was created. Under no circumstances shall
26 the guarantee fund be commingled with other funds or

1 investments.

2 (e-1) No commissioner or family member of a commissioner,
3 or employee or family member of an employee, may receive any
4 financial benefit, either directly or indirectly, from the
5 guarantee fund. Nothing in this subsection (e-1) shall be
6 construed to prohibit payment of expenses to a commissioner in
7 accordance with Section 4 or payment of salaries or expenses
8 to an employee in accordance with this Section.

9 As used in this subsection (e-1), "family member" means a
10 spouse, child, stepchild, parent, brother, or sister of a
11 commissioner or a child, stepchild, parent, brother, or sister
12 of a commissioner's spouse.

13 (f) An independent audit of the guarantee fund and the
14 management of the program shall be conducted annually and made
15 available to the public through any office of the governing
16 commission or a public facility such as a local public library
17 located within the territory of the program.

18 (Source: P.A. 102-599, eff. 1-1-22; 103-737, eff. 1-1-25.)