



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

SB2566

Introduced 2/15/2008, by Sen. Jacqueline Y. Collins

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3805/7.30 new  
30 ILCS 105/5.708 new  
30 ILCS 105/6z-80 new  
205 ILCS 635/2-2

from Ch. 17, par. 2322-2

Amends the Illinois Housing Development Act. Provides that the Illinois Housing Development Authority shall establish and administer a foreclosure prevention counseling program and shall use moneys in the Foreclosure Prevention Counseling Fund and funds appropriated for that purpose to make grants to HUD-certified counseling agencies for home-ownership education and foreclosure prevention counseling. Amends the State Finance Act. Creates the Foreclosure Prevention Counseling Fund and provides for allocation of moneys in the Fund. Provides for the payment of license fees of \$3,700 annually, including the foreclosure prevention surcharge (instead of \$2,700 annually). Amends the Residential Mortgage License Act of 1987. Provides that an application for a license or a license renewal on or after July 1, 2008, shall include payment of a foreclosure prevention surcharge of \$1,000. Provides that the surcharge proceeds shall be deposited into the Foreclosure Prevention Counseling Fund. Effective immediately.

LRB095 18702 AJO 44803 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning foreclosure.

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 adding Section 7.30 as follows:

6 (20 ILCS 3805/7.30 new)

7 Sec. 7.30. Foreclosure prevention counseling program. The  
8 Authority shall establish and administer a foreclosure  
9 prevention counseling program. The Authority shall use moneys  
10 in the Foreclosure Prevention Counseling Fund, and any other  
11 funds appropriated for this purpose, to make grants to  
12 HUD-certified housing counseling agencies to support  
13 pre-purchase and post-purchase home-ownership education and  
14 foreclosure prevention counseling activities under the  
15 program.

16 Section 10. The State Finance Act is amended by adding  
17 Sections 5.708 and 6z-80 as follows:

18 (30 ILCS 105/5.708 new)

19 Sec. 5.708. The Foreclosure Prevention Counseling Fund.

20 (30 ILCS 105/6z-80 new)

1       Sec. 6z-80. The Foreclosure Prevention Counseling Fund.

2       (a) There is created in the State treasury a special fund  
3 to be known as the Foreclosure Prevention Counseling Fund. All  
4 moneys received by the Commissioner of Banks and Real Estate  
5 from the foreclosure prevention surcharge collected under  
6 subsection (c) of Section 2-2 of the Residential Mortgage  
7 License Act of 1987 shall be deposited into the Fund.

8       (b) Moneys in the Fund shall be used as follows:

9           (1) 25% of the moneys in the Fund on the first day of  
10 each calendar month shall be distributed as grants by the  
11 Illinois Housing Development Authority to the City of  
12 Chicago to provide grants to HUD-certified housing  
13 counseling agencies to support pre-purchase and  
14 post-purchase home-ownership education and foreclosure  
15 prevention counseling activities under programs  
16 administered by that city.

17           (2) The remaining moneys shall, subject to  
18 appropriation, be used by the Illinois Housing Development  
19 Authority as provided in Section 7.30 of the Illinois  
20 Housing Development Act.

21       Section 15. The Residential Mortgage License Act of 1987 is  
22 amended by changing Section 2-2 as follows:

23       (205 ILCS 635/2-2) (from Ch. 17, par. 2322-2)

24       Sec. 2-2. Application process; investigation; fee.

1 (a) The Commissioner shall issue a license upon completion  
2 of all of the following:

3 (1) The filing of an application for license.

4 (2) The filing with the Commissioner of a listing of  
5 judgments entered against, and bankruptcy petitions by,  
6 the license applicant for the preceding 10 years.

7 (3) The payment, in certified funds, of investigation  
8 and application fees, the total of which shall be in an  
9 amount equal to \$3,700 ~~\$2,700~~ annually, including the  
10 foreclosure prevention surcharge provided for in  
11 subsection (c) of this Section; however, the Commissioner  
12 may increase the investigation and application fees by rule  
13 as provided in Section 4-11.

14 (4) Except for a broker applying to renew a license,  
15 the filing of an audited balance sheet including all  
16 footnotes prepared by a certified public accountant in  
17 accordance with generally accepted accounting principles  
18 and generally accepted auditing principles which evidences  
19 that the applicant meets the net worth requirements of  
20 Section 3-5.

21 (5) The filing of proof satisfactory to the  
22 Commissioner that the applicant, the members thereof if the  
23 applicant is a partnership or association, the members or  
24 managers thereof that retain any authority or  
25 responsibility under the operating agreement if the  
26 applicant is a limited liability company, or the officers

1       thereof if the applicant is a corporation have 3 years  
2       experience preceding application in real estate finance.  
3       Instead of this requirement, the applicant and the  
4       applicant's officers or members, as applicable, may  
5       satisfactorily complete a program of education in real  
6       estate finance and fair lending, as approved by the  
7       Commissioner, prior to receiving the initial license. The  
8       Commissioner shall promulgate rules regarding proof of  
9       experience requirements and educational requirements and  
10      the satisfactory completion of those requirements. The  
11      Commissioner may establish by rule a list of duly licensed  
12      professionals and others who may be exempt from this  
13      requirement.

14           (6) An investigation of the averments required by  
15      Section 2-4, which investigation must allow the  
16      Commissioner to issue positive findings stating that the  
17      financial responsibility, experience, character, and  
18      general fitness of the license applicant and of the members  
19      thereof if the license applicant is a partnership or  
20      association, of the officers and directors thereof if the  
21      license applicant is a corporation, and of the managers and  
22      members that retain any authority or responsibility under  
23      the operating agreement if the license applicant is a  
24      limited liability company are such as to command the  
25      confidence of the community and to warrant belief that the  
26      business will be operated honestly, fairly and efficiently

1 within the purpose of this Act. If the Commissioner shall  
2 not so find, he or she shall not issue such license, and he  
3 or she shall notify the license applicant of the denial.

4 The Commissioner may impose conditions on a license if the  
5 Commissioner determines that the conditions are necessary or  
6 appropriate. These conditions shall be imposed in writing and  
7 shall continue in effect for the period prescribed by the  
8 Commissioner.

9 (b) All licenses shall be issued in duplicate with one copy  
10 being transmitted to the license applicant and the second being  
11 retained with the Commissioner.

12 Upon receipt of such license, a residential mortgage  
13 licensee shall be authorized to engage in the business  
14 regulated by this Act. Such license shall remain in full force  
15 and effect until it expires without renewal, is surrendered by  
16 the licensee or revoked or suspended as hereinafter provided.

17 (c) Any application for issuance or renewal of a license  
18 for a period beginning on or after July 1, 2008, shall include  
19 payment of a foreclosure prevention surcharge in the amount of  
20 \$1,000. All proceeds from the surcharge shall be deposited into  
21 the Foreclosure Prevention Counseling Fund.

22 (Source: P.A. 93-32, eff. 7-1-03; 93-1018, eff. 1-1-05.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.