

1 AN ACT concerning civil law.

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

4 Section 5. The Code of Civil Procedure is amended by
5 changing Sections 15-1701, 15-1703, and 15-1704 and by adding
6 Sections 15-1202.5 and 15-1508.5 as follows:

7 (735 ILCS 5/15-1202.5 new)

8 Sec. 15-1202.5. Dwelling unit. For the purposes of Sections
9 15-1508.5, 15-1703, and 15-1704 only, "dwelling unit" means a
10 room or suite of rooms providing complete, independent living
11 facilities for at least one person, including permanent
12 provisions for sanitation, cooking, eating, sleeping, and
13 other activities routinely associated with daily life.

14 (735 ILCS 5/15-1508.5 new)

15 Sec. 15-1508.5. Notice by holder or purchaser to known
16 occupants of dwelling units of mortgaged real estate.

17 (a) The holder of the certificate of sale or deed issued
18 pursuant to that certificate or, if no certificate or deed was
19 issued, the purchaser, shall:

20 (1) following the judicial sale under Section 15-1507,
21 but no later than 21 days after the confirmation of sale
22 under Section 15-1508, make a good faith effort to

1 ascertain the identities and addresses of all occupants of
2 dwelling units of the mortgaged real estate; and

3 (2) following the order confirming sale under Section
4 15-1508, but no later than 21 days after the order
5 confirming sale, notify all known occupants of dwelling
6 units of the mortgaged real estate that the holder or
7 purchaser has acquired the mortgaged real estate. The
8 notice shall be in writing and shall:

9 (i) identify the occupant being served by the name
10 known to the holder or purchaser;

11 (ii) inform the occupant that the mortgaged real
12 estate at which the dwelling unit is located is the
13 subject of a foreclosure and that control of the
14 mortgaged real estate has changed;

15 (iii) provide the name, address, and telephone
16 number of an individual or entity whom the occupants
17 may contact with concerns about the mortgaged real
18 estate or to request repairs of that property;

19 (iv) include the following language, or language
20 that is substantially similar: "This is NOT a notice to
21 vacate the premises. You may wish to contact a lawyer
22 or your local legal aid or housing counseling agency to
23 discuss any rights that you may have."; and

24 (v) include the name of the case, the case number,
25 and the court where the order confirming the sale has
26 been entered.

1 (b) The written notice required by subsection (a) of this
2 Section shall be served by delivering a copy thereof to the
3 known occupant, or by leaving the same with some person of the
4 age of 13 years or upwards who is residing on or in possession
5 of the premises, or by sending a copy of the notice to the
6 known occupant by first-class mail, addressed to the occupant
7 by the name known to the holder or purchaser.

8 (c) In the event that the holder or purchaser ascertains
9 the identity and address of an occupant of a dwelling unit of
10 the mortgaged real estate more than 21 days after the
11 confirmation of sale under Section 15-1508, the holder or
12 purchaser shall provide the notice required by subparagraph (2)
13 of subsection (a) within 7 days of ascertaining the identity
14 and address of the occupant.

15 (d) (i) A holder or purchaser who fails to comply with
16 subsections (a), (b), and (c) may not collect any rent due and
17 owing from a known occupant, or terminate a known occupant's
18 tenancy for non-payment of such rent, until the holder or
19 purchaser has served the notice described in paragraph (2) of
20 subsection (a) of this Section upon the known occupant. After
21 providing such notice, the holder or purchaser may collect any
22 and all rent otherwise due and owing the holder or purchaser
23 from the known occupant and may terminate the known occupant's
24 tenancy for non-payment of such rent if the holder or purchaser
25 otherwise has such right to terminate.

26 (ii) An occupant who previously paid rent for the current

1 rental period to the mortgagor, or other entity with the
2 authority to operate, manage, and conserve the mortgaged real
3 estate at the time of payment, shall not be held liable for
4 that rent by the holder or purchaser, and the occupant's
5 tenancy shall not be terminated for non-payment of rent for
6 that rental period.

7 (e) Within 21 days of the confirmation of sale under
8 Section 15-1508, the holder or purchaser shall post a written
9 notice on the primary entrance of each dwelling unit subject to
10 the foreclosure action. This notice shall:

11 (i) inform occupant that the dwelling unit is the
12 subject of a foreclosure action and that control of the
13 mortgaged real estate has changed;

14 (ii) include the following language: "This is NOT a
15 notice to vacate the premises."; and

16 (iii) provide the name, address, and telephone number
17 of the individual or entity whom occupants may contact with
18 concerns about the mortgaged real estate or to request
19 repairs of the property.

20 (f)(i) The provisions of subsection (d) of this Section
21 shall be the exclusive remedy for the failure of a holder or
22 purchaser to provide notice to a known occupant under this
23 Section.

24 (ii) This Section shall not abrogate any right that a
25 holder or purchaser may have to possession of the mortgaged
26 real estate and to maintain a proceeding against an occupant of

1 a dwelling unit for possession under Article 9 of this Code or
2 subsection (h) of Section 15-1701.

3 (iii) In the event that the holder or purchaser is a
4 mortgagee in possession of the mortgaged real estate pursuant
5 to Section 15-1703 at the time of the confirmation of sale and
6 has complied with requirements of subsection (a-5) of Section
7 15-1703, the holder or purchaser is excused from the
8 requirements of subsections (a) and (e) of this Section.

9 (iv) A holder or purchaser is not required to provide the
10 notice required by this Section to a mortgagor or party against
11 whom an order of possession has been entered authorizing the
12 removal of the mortgagor or party pursuant to subsection (g) of
13 Section 15-1508.

14 (735 ILCS 5/15-1701) (from Ch. 110, par. 15-1701)

15 Sec. 15-1701. Right to possession.

16 (a) General. The provisions of this Article shall govern
17 the right to possession of the mortgaged real estate during
18 foreclosure. Possession under this Article includes physical
19 possession of the mortgaged real estate to the same extent to
20 which the mortgagor, absent the foreclosure, would have been
21 entitled to physical possession. For the purposes of Part 17,
22 real estate is residential real estate only if it is
23 residential real estate at the time the foreclosure is
24 commenced.

25 (b) Pre-Judgment. Prior to the entry of a judgment of

1 foreclosure:

2 (1) In the case of residential real estate, the
3 mortgagor shall be entitled to possession of the real
4 estate except if (i) the mortgagee shall object and show
5 good cause, (ii) the mortgagee is so authorized by the
6 terms of the mortgage or other written instrument, and
7 (iii) the court is satisfied that there is a reasonable
8 probability that the mortgagee will prevail on a final
9 hearing of the cause, the court shall upon request place
10 the mortgagee in possession. If the residential real estate
11 consists of more than one dwelling unit, then for the
12 purpose of this Part residential real estate shall mean
13 only that dwelling unit or units occupied by persons
14 described in clauses (i), (ii) and (iii) of Section
15 15-1219.

16 (2) In all other cases, if (i) the mortgagee is so
17 authorized by the terms of the mortgage or other written
18 instrument, and (ii) the court is satisfied that there is a
19 reasonable probability that the mortgagee will prevail on a
20 final hearing of the cause, the mortgagee shall upon
21 request be placed in possession of the real estate, except
22 that if the mortgagor shall object and show good cause, the
23 court shall allow the mortgagor to remain in possession.

24 (c) Judgment Through 30 Days After Sale Confirmation. After
25 the entry of a judgment of foreclosure and through the 30th day
26 after a foreclosure sale is confirmed:

1 (1) Subsection (b) of Section 15-1701 shall be
2 applicable, regardless of the provisions of the mortgage or
3 other instrument, except that after a sale pursuant to the
4 judgment the holder of the certificate of sale (or, if
5 none, the purchaser at the sale) shall have the mortgagee's
6 right to be placed in possession, with all rights and
7 duties of a mortgagee in possession under this Article.

8 (2) Notwithstanding paragraph (1) of subsection (b)
9 and paragraph (1) of subsection (c) of Section 15-1701,
10 upon request of the mortgagee, a mortgagor of residential
11 real estate shall not be allowed to remain in possession
12 between the expiration of the redemption period and through
13 the 30th day after sale confirmation unless (i) the
14 mortgagor pays to the mortgagee or such holder or
15 purchaser, whichever is applicable, monthly the lesser of
16 the interest due under the mortgage calculated at the
17 mortgage rate of interest applicable as if no default had
18 occurred or the fair rental value of the real estate, or
19 (ii) the mortgagor otherwise shows good cause. Any amounts
20 paid by the mortgagor pursuant to this subsection shall be
21 credited against the amounts due from the mortgagor.

22 (d) After 30 Days After Sale Confirmation. The holder of
23 the certificate of sale or deed issued pursuant to that
24 certificate or, if no certificate or deed was issued, the
25 purchaser, except to the extent the holder or purchaser may
26 consent otherwise, shall be entitled to possession of the

1 mortgaged real estate, as of the date 30 days after the order
2 confirming the sale is entered, against those parties to the
3 foreclosure whose interests the court has ordered terminated,
4 without further notice to any party, further order of the
5 court, or resort to proceedings under any other statute other
6 than this Article. This right to possession shall be limited by
7 the provisions governing entering and enforcing orders of
8 possession under subsection (g) of Section 15-1508. If the
9 holder or purchaser determines that there are occupants of the
10 mortgaged real estate who have not been made parties to the
11 foreclosure and had their interests terminated therein, the
12 holder or purchaser may bring a proceeding under subsection (h)
13 of this Section or under Article 9 of this Code to terminate
14 the rights of possession of any such occupants. The holder or
15 purchaser shall not be entitled to proceed against any such
16 occupant under Article 9 of this Code until after 30 days after
17 the order confirming the sale is entered.

18 (e) Termination of Leases. A lease of all or any part of
19 the mortgaged real estate shall not be terminated automatically
20 solely by virtue of the entry into possession by (i) a
21 mortgagee or receiver prior to the entry of an order confirming
22 the sale, (ii) the holder of the certificate of sale, (iii) the
23 holder of the deed issued pursuant to that certificate, or (iv)
24 if no certificate or deed was issued, the purchaser at the
25 sale.

26 (f) Other Statutes; Instruments. The provisions of this

1 Article providing for possession of mortgaged real estate shall
2 supersede any other inconsistent statutory provisions. In
3 particular, and without limitation, whenever a receiver is
4 sought to be appointed in any action in which a foreclosure is
5 also pending, a receiver shall be appointed only in accordance
6 with this Article. Except as may be authorized by this Article,
7 no mortgage or other instrument may modify or supersede the
8 provisions of this Article.

9 (g) Certain Leases. Leases of the mortgaged real estate
10 entered into by a mortgagee in possession or a receiver and
11 approved by the court in a foreclosure shall be binding on all
12 parties, including the mortgagor after redemption, the
13 purchaser at a sale pursuant to a judgment of foreclosure and
14 any person acquiring an interest in the mortgaged real estate
15 after entry of a judgment of foreclosure in accordance with
16 Sections 15-1402 and 15-1403.

17 (h) Proceedings Against Certain Occupants.

18 (1) The mortgagee-in-possession of the mortgaged real
19 estate under Section 15-1703, a receiver appointed under
20 Section 15-1704, a holder of the certificate of sale or
21 deed, or the purchaser may, at any time during the pendency
22 of the foreclosure and up to 90 days after the date of the
23 order confirming the sale, file a supplemental petition for
24 possession against a person not personally named as a party
25 to the foreclosure. The supplemental petition for
26 possession shall name each such occupant against whom

1 possession is sought and state the facts upon which the
2 claim for relief is premised.

3 (2) The petitioner shall serve upon each named occupant
4 the petition, a notice of hearing on the petition, and, if
5 any, a copy of the certificate of sale or deed. The
6 proceeding for the termination of such occupant's
7 possessory interest, including service of the notice of the
8 hearing and the petition, shall in all respects comport
9 with the requirements of Article 9 of this Code, except as
10 otherwise specified in this Section. The hearing shall be
11 no less than 21 days from the date of service of the
12 notice.

13 (3) The supplemental petition shall be heard as part of
14 the foreclosure proceeding and without the payment of
15 additional filing fees. An order for possession obtained
16 under this Section shall name each occupant whose interest
17 has been terminated, shall recite that it is only effective
18 as to the occupant so named and those holding under them,
19 and shall be enforceable for no more than 90 days after its
20 entry, except that the 90-day period may be extended to the
21 extent and in the manner provided in Section 9-117 of
22 Article 9 and except as provided in item (4) of this
23 subsection (h).

24 (4) In a case of foreclosure where the occupant ~~tenant~~
25 is current on his or her rent, or where timely written
26 notice of to whom and where the rent is to be paid has not

1 been provided to the occupant ~~tenant~~, or where the occupant
2 ~~tenant~~ has made good-faith efforts to make rental payments
3 in order to keep current, any order of possession must
4 allow the occupant ~~tenant~~ to retain possession of the
5 property covered in his or her rental agreement (i) for 120
6 days following the notice of the hearing on the
7 supplemental petition that has been properly served upon
8 the occupant ~~tenant~~, or (ii) through the duration of his or
9 her lease, whichever is shorter, provided that if the
10 duration of his or her lease is less than 30 days from the
11 date of the order, the order shall allow the occupant to
12 retain possession for 30 days from the date of the order. A
13 mortgagee in possession, receiver, holder of a certificate
14 of sale or deed, or purchaser at the judicial sale, who
15 asserts that the occupant is not current in rent, shall
16 file an affidavit to that effect in the supplemental
17 petition proceeding. If the occupant ~~tenant~~ has been given
18 timely written notice of to whom and where the rent is to
19 be paid, this item (4) shall only apply if the occupant
20 ~~tenant~~ continues to pay his or her rent in full during the
21 120-day period or has made good-faith efforts to pay the
22 rent in full during that period. No
23 mortgagee-in-possession, receiver or holder of a
24 certificate of sale or deed, or purchaser who fails to file
25 a supplemental petition under this subsection during the
26 pendency of a mortgage foreclosure shall file a forcible

1 entry and detainer action against an occupant ~~a tenant~~ of
2 the mortgaged real estate until 90 days after a notice of
3 intent to file such action has been properly served upon
4 the occupant ~~tenant~~.

5 (5) The court records relating to a supplemental
6 petition for possession filed under this subsection (h)
7 against an occupant ~~a tenant~~ who is entitled to notice
8 under item (4) of this subsection (h), or relating to a
9 forcible entry and detainer action brought against an
10 occupant ~~a tenant~~ who would have lawful possession of the
11 premises but for the foreclosure of a mortgage on the
12 property, shall be ordered sealed and shall not be
13 disclosed to any person, other than a law enforcement
14 officer or any other representative of a governmental
15 entity, except upon further order of the court.

16 (Source: P.A. 95-262, eff. 1-1-08; 95-933, eff. 8-26-08.)

17 (735 ILCS 5/15-1703) (from Ch. 110, par. 15-1703)

18 Sec. 15-1703. Mortgagee in Possession. (a) Powers and
19 Duties. A mortgagee placed in possession of the real estate
20 pursuant to Section 15-1701 or Section 15-1702 shall have:

21 (1) such power and authority with respect to the real
22 estate and other property subject to the mortgage,
23 including the right to receive the rents, issues and
24 profits thereof, as may have been conferred upon the
25 mortgagee by the terms of the mortgage or other written

1 instrument authorizing the taking of possession;

2 (2) all other rights and privileges of a mortgagee in
3 possession under law not inconsistent herewith; and

4 (3) the same powers, duties and liabilities as a
5 receiver appointed for the real estate in accordance with
6 this Article. If an order placing a mortgagee in possession
7 is modified, revoked or set aside, the mortgagee shall not
8 be liable for any damages to the extent such damages arise
9 solely out of the fact that the mortgagor was removed from
10 possession or that the mortgagee was placed in possession.

11 (a-5) Notice to occupants.

12 (1) Following the order placing the mortgagee in
13 possession of the mortgaged real estate, but no later than
14 21 days after the entry of such order, the mortgagee in
15 possession shall make a good faith effort to ascertain the
16 identities and addresses of all occupants of dwelling units
17 of the mortgaged real estate.

18 (2) Following the order placing the mortgagee in
19 possession of the mortgaged real estate, but no later than
20 21 days after the entry of such order, the mortgagee in
21 possession shall notify all known occupants of dwelling
22 units of the mortgaged real estate that the mortgagee has
23 taken possession of the mortgaged real estate. The notice
24 shall be in writing and shall:

25 (i) identify the occupant being served by the name
26 known to the mortgagee in possession;

1 (ii) inform the occupant that the mortgaged real
2 estate at which the dwelling unit is located is the
3 subject of a foreclosure action and that control of the
4 mortgaged real estate has changed;

5 (iii) provide the name, address, and telephone
6 number of the individual or entity whom occupants may
7 contact with concerns about the mortgaged real estate
8 or to request repairs of that property;

9 (iv) include the following language, or language
10 that is substantially similar: "This is NOT a notice to
11 vacate the premises. You may wish to contact a lawyer
12 or your local legal aid or housing counseling agency to
13 discuss any rights that you may have."; and

14 (v) include the name of the case, the case number,
15 and the court where the foreclosure action is pending.

16 (3) The written notice required by item (2) of this
17 subsection (a-5) shall be served by delivering a copy
18 thereof to the known occupant, or by leaving the same with
19 some person of the age of 13 years or upwards, who is
20 residing on or in possession of the premises; or by sending
21 a copy of the notice to the known occupant by first-class
22 mail, addressed to the occupant by the name known to the
23 mortgagee in possession.

24 (4) In the event that a mortgagee in possession
25 ascertains the identity and address of an occupant of a
26 dwelling unit of the mortgaged real estate more than 21

1 days after being placed in possession of the mortgaged real
2 estate pursuant to Section 15-1703, the mortgagee in
3 possession shall provide the notice required by item (2) of
4 this subsection (a-5) within 7 days of ascertaining the
5 identity and address of the occupant.

6 (5) (i) A mortgagee in possession who fails to comply
7 with items (1), (2), (3), and (4) of this subsection (a-5)
8 may not collect any rent due and owing from a known
9 occupant, or terminate a known occupant's tenancy for
10 non-payment of such rent, until the mortgagee in possession
11 has served the notice described in item (2) of this
12 subsection (a-5) upon the known occupant. After providing
13 such notice, the mortgagee in possession may collect any
14 and all rent otherwise due and owing the mortgagee in
15 possession from the known occupant and may terminate the
16 known occupant's tenancy for non-payment of such rent if
17 the mortgagee in possession otherwise has such right to
18 terminate.

19 (ii) An occupant who previously paid rent for the
20 current rental period to the mortgagor, or other entity
21 with the authority to operate, manage, and conserve the
22 mortgaged real estate at the time of payment, shall not be
23 held liable for that rent by the mortgagee in possession,
24 and the occupant's tenancy shall not be terminated for
25 non-payment of rent for that rental period.

26 (6) Within 21 days of the order placing the mortgagee

1 in possession of the mortgaged real estate, the mortgagee
2 in possession shall post a written notice on the primary
3 entrance of each dwelling unit subject to the foreclosure
4 action that informs the occupants that the mortgagee in
5 possession is now operating and managing the mortgaged real
6 estate. This notice shall:

7 (i) inform occupant that the dwelling unit is the
8 subject of a foreclosure action and that control of the
9 mortgaged real estate has changed;

10 (ii) include the following language: "This is NOT a
11 notice to vacate the premises."; and

12 (iii) provide the name, address, and telephone
13 number of the individual or entity whom occupants may
14 contact with concerns about the mortgaged real estate
15 or to request repairs of the property.

16 (7)(i) The provisions of item (5) of this subsection
17 (a-5) shall be the exclusive remedy for the failure of a
18 mortgagee in possession to provide notice to a known
19 occupant under this Section.

20 (ii) This Section shall not abrogate any right that a
21 mortgagee in possession may have to possession of the
22 mortgaged real estate and to maintain a proceeding against
23 an occupant of a dwelling unit for possession under Article
24 9 of this Code or subsection (h) of Section 15-1701.

25 (b) Fees and Expenses. A mortgagee in possession shall not
26 be entitled to any fees for so acting, but shall be entitled to

1 reimbursement for reasonable costs, expenses and third party
2 management fees incurred in connection with such possession.

3 (Source: P.A. 84-1462.)

4 (735 ILCS 5/15-1704) (from Ch. 110, par. 15-1704)

5 Sec. 15-1704. Receivers. (a) Receiver. Notwithstanding the
6 provisions of subsections (b), (c) and (d) of Section 15-1701,
7 and except as provided in Section 15-1702, upon request of any
8 party and a showing of good cause, the court shall appoint a
9 receiver for the mortgaged real estate.

10 (b) Powers. A receiver appointed pursuant to this Article
11 shall have possession of the mortgaged real estate and other
12 property subject to the mortgage during the foreclosure, shall
13 have full power and authority to operate, manage and conserve
14 such property, and shall have all the usual powers of receivers
15 in like cases. Without limiting the foregoing, a receiver shall
16 have the power and authority to:

17 (1) secure tenants and execute leases for the real
18 estate, the duration and terms of which are reasonable and
19 customary for the type of use involved, and such leases
20 shall have the same priority as if made by the owner of the
21 real estate; but, unless approved by the Court, the
22 receiver shall not execute oil, gas or other mineral
23 leases, or (even if otherwise allowed by law) leases
24 extending beyond the time of the receiver's possession;
25 provided, however, with respect to residential real estate

1 leased by the receiver, nothing in this Section shall
2 affect the legal rights of any lessee with respect to the
3 safety and habitability of the residential real estate;

4 (2) collect the rents, issues and profits from the
5 mortgaged real estate;

6 (3) insure the mortgaged real estate against loss by
7 fire or other casualty;

8 (4) employ counsel, custodians, janitors and other
9 help; and

10 (5) pay taxes which may have been or may be levied
11 against the mortgaged real estate.

12 (c) Duties. A receiver appointed pursuant to this Article
13 must manage the mortgaged real estate as would a prudent
14 person, taking into account the effect of the receiver's
15 management on the interest of the mortgagor. A receiver may,
16 without an order of the court, delegate managerial functions to
17 a person in the business of managing real estate of the kind
18 involved who is financially responsible, not related to the
19 mortgagee or receiver and prudently selected. However, the
20 receiver shall remain responsible to the mortgagor or other
21 persons for the acts or omissions of such management agent.
22 When fees are paid to such a management agent, the receiver's
23 fees may be adjusted to the extent the court deems appropriate.
24 In managing the mortgaged real estate and other property
25 subject to the mortgage, a receiver or receiver's delegate, to
26 the extent the receiver receives sufficient receipts from the

1 mortgaged real estate, such other property or other sources,
2 except to the extent ordered otherwise by the court:

3 (1) shall maintain the existing casualty and liability
4 insurance required in accordance with the mortgage or
5 applicable to the real estate and other property subject to
6 the mortgage at the time the receiver took possession;

7 (2) shall use reasonable efforts to maintain the real
8 estate and other property subject to the mortgage in at
9 least as good condition as existed at the time the receiver
10 took possession, excepting reasonable wear and tear and
11 damage by any casualty;

12 (2.5) shall accept all rental payments from an occupant
13 of the mortgaged property, and any payments from a third
14 party or any rental assistance program in support of an
15 occupant's housing;

16 (3) shall apply receipts to payment of ordinary
17 operating expenses, including royalties, rents and other
18 expenses of management;

19 (4) shall pay any shared or common expense assessments
20 due to any association of owners of interests in real
21 estate to the extent that such assessments are or may
22 become a lien against the mortgaged real estate;

23 (5) may pay the amounts due under any mortgage if the
24 mortgagee thereof is not a party in the foreclosure;

25 (6) may carry such additional casualty and liability
26 insurance as is reasonably available and reasonable as to

1 amounts and risks covered;

2 (7) may make other repairs and improvements necessary
3 to comply with building, housing, and other similar codes
4 or with existing contractual obligations affecting the
5 mortgaged real estate;

6 (8) may hold receipts as reserves reasonably required
7 for the foregoing purposes; and

8 (9) may take such other actions as may be reasonably
9 necessary to conserve the mortgaged real estate and other
10 property subject to the mortgage, or as otherwise
11 authorized by the court.

12 (d) Allocation of Receipts. Receipts received from
13 operation of the real estate and other property subject to the
14 mortgage by the receiver shall be applied in the following
15 order of priority.

16 (1) to reimbursement of the receiver for all reasonable
17 costs and expenses incurred by the receiver or the
18 receiver's delegates;

19 (2) to payment of insurance premiums authorized in
20 paragraph (1) of subsection (c) of Section 15-1704;

21 (3) to payment of the receiver's delegates of any
22 reasonable management fees for managing real estate of the
23 type involved;

24 (4) to payment of receiver's fees allowed by the court;

25 (5) to payment of expenses authorized in paragraphs
26 (2), (3) and (4) of subsection (c) of Section 15-1704;

1 (6) to payment of amounts authorized in paragraph (5)
2 of subsection (c) of Section 15-1704;

3 (7) to payment of expenses authorized in paragraphs (6)
4 and (7) of subsection (c) of Section 15-1704; and

5 (8) the balance, if any, shall be held or disbursed as
6 ordered by the court.

7 (e) Non-Liability for Allocations. A receiver shall in no
8 event be liable to any person for the allocation of, or failure
9 to allocate, receipts to possible expenditures within the same
10 priority category.

11 (f) Notice to occupants.

12 (1) Following an order appointing a receiver pursuant
13 to Section 15-1704, but no later than 21 days after the
14 entry of such order, the appointed receiver shall make a
15 good faith effort to ascertain the identities and addresses
16 of all occupants of dwelling units of the mortgaged real
17 estate.

18 (2) Following an order appointing a receiver pursuant
19 to Section 15-1704, but no later than 21 days after the
20 entry of such order, the appointed receiver shall notify
21 all known occupants of dwelling units of the mortgaged real
22 estate that the receiver has been appointed receiver of the
23 mortgaged real estate. Such notice shall be in writing and
24 shall:

25 (i) identify the occupant being served by the name
26 known to the receiver;

1 (ii) inform the occupant that the mortgaged real
2 estate at which the dwelling unit is located is the
3 subject of a foreclosure action and that control of the
4 mortgaged real estate has changed;

5 (iii) provide the name, address, and telephone
6 number of the individual or entity whom occupants may
7 contact with concerns about the mortgaged real estate
8 or to request repairs of that property;

9 (iv) include the following language, or language
10 that is substantially similar: "This is NOT a notice to
11 vacate the premises. You may wish to contact a lawyer
12 or your local legal aid or housing counseling agency to
13 discuss any rights that you may have."; and

14 (v) include the name of the case, the case number,
15 and the court where the foreclosure action is pending.

16 (3) The written notice required by item (2) of this
17 subsection (f) shall be served by delivering a copy thereof
18 to the known occupant, or by leaving the same with some
19 person of the age of 13 years or upwards, who is residing
20 on or in possession of the premises; or by sending a copy
21 of the notice to the known occupant by first-class mail,
22 addressed to the occupant by the name known to the
23 receiver.

24 (4) In the event that a receiver ascertains the
25 identity and address of an occupant of a dwelling unit of
26 the mortgaged real estate more than 21 days after

1 appointment pursuant to Section 15-1704, the receiver
2 shall provide the notice required by item (2) of this
3 subsection (f) within 7 days of ascertaining the identity
4 and address of the occupant.

5 (5) (i) A receiver who fails to comply with items (1),
6 (2), (3), and (4) of this subsection (f) may not collect
7 any rent due and owing from a known occupant, or terminate
8 a known occupant's tenancy for non-payment of such rent,
9 until the receiver has served the notice described in item
10 (2) of this subsection (f) upon the known occupant. After
11 providing such notice, the receiver may collect any and all
12 rent otherwise due and owing the receiver from the known
13 occupant and may terminate the known occupant's tenancy for
14 non-payment of such rent if the receiver otherwise has such
15 right to terminate.

16 (ii) An occupant who previously paid rent for the
17 current rental period to the mortgagor, or other entity
18 with the authority to operate, manage, and conserve the
19 mortgaged real estate at the time of payment, shall not be
20 held liable for that rent by the receiver, and the
21 occupant's tenancy shall not be terminated for non-payment
22 of rent for that rental period.

23 (6) Within 21 days of appointment, the receiver shall
24 post a written notice on the primary entrance of each
25 dwelling unit subject to the foreclosure action that
26 informs occupants that the receiver has been appointed to

1 operate and manage the property. This notice shall:

2 (i) inform occupant that the dwelling unit is the
3 subject of a foreclosure action and that control of the
4 mortgaged real estate has changed;

5 (ii) include the following language: "This is NOT a
6 notice to vacate the premises."; and

7 (iii) provide the name, address, and telephone
8 number of the individual or entity whom occupants may
9 contact with concerns about the mortgaged real estate
10 or to request repairs of the property.

11 (7) (i) The provisions of item (5) of this subsection
12 (f) shall be the exclusive remedy for the failure of a
13 receiver to provide notice to a known occupant under this
14 Section.

15 (ii) This Section shall not abrogate any right that a
16 receiver may have to possession of the mortgaged real
17 estate and to maintain a proceeding against an occupant of
18 a dwelling unit for possession under Article 9 of this Code
19 or subsection (h) of Section 15-1701.

20 (g) Increase of rents. Notwithstanding any other provision
21 of this Article, a receiver shall not charge an occupant of the
22 mortgaged real estate a rental amount above that which the
23 occupant had been paying for use and occupancy of the mortgaged
24 real estate prior to the appointment of a receiver without
25 leave of court. The court may allow an increase of rent if,
26 upon motion by the receiver, the court finds by a preponderance

1 of the evidence, that the increase of rent is necessary to
2 operate, manage, and conserve the mortgaged real estate
3 pursuant to this Section. A list of the current rents for each
4 unit in the mortgaged real estate, and a list of the proposed
5 rent increase for each of those units, must be attached to a
6 motion for a rent increase under this subsection (g). All
7 occupants of the mortgaged real estate who may be affected by
8 the motion for a rent increase, if not otherwise entitled to
9 notice, shall be notified in writing of the nature of the
10 motion, the date and time of the motion, and the court where
11 the motion will be heard. Such notice shall be by personal
12 service or first-class mail. In the event that the receiver and
13 an occupant of a dwelling unit agree to a rent increase for
14 that dwelling unit, the receiver is excused from the
15 requirements of this subsection (g) as to that dwelling unit.
16 Nothing in this subsection (g) shall alter the terms of any
17 lease agreement.

18 (h) ~~(f)~~ Removal. The court may remove a receiver upon a
19 showing of good cause, in which case a new receiver may be
20 appointed in accordance with subsection (b) of Section 15-1702
21 and subsection (a) of Section 15-1704.

22 (Source: P.A. 84-1462.)

23 Section 98. Compliance. In a foreclosure action filed on or
24 before the effective date of this Act, a holder or purchaser,
25 receiver, or mortgagee in possession required to serve notice

1 or otherwise comply with Section 15-1508.5, subsection (a-5) of
2 Section 15-1703, and subsection (f) of 15-1704 shall have an
3 additional 60 days to comply with the provisions of this Act.

4 Section 99. Effective date. This Act takes effect 90 days
5 after becoming law.