

1 AMENDMENT TO HOUSE BILL 2439

2 AMENDMENT NO. _____. Amend House Bill 2439 by replacing
3 the title with the following:

4 "AN ACT concerning the use of State funds."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Deposit of State Moneys Act is amended
8 by changing Section 7 as follows:

9 (15 ILCS 520/7) (from Ch. 130, par. 26)

10 Sec. 7. (a) Proposals made may either be approved or
11 rejected by the State Treasurer. A bank or savings and loan
12 association whose proposal is approved shall be eligible to
13 become a State depository for the class or classes of funds
14 covered by its proposal. A bank or savings and loan
15 association whose proposal is rejected shall not be so
16 eligible. The State Treasurer shall seek to have at all times
17 a total of not less than 20 banks or savings and loan
18 associations which are approved as State depositories for
19 time deposits.

20 (b) The State Treasurer may, in his discretion, accept a
21 proposal from an eligible institution which provides for a

1 reduced rate of interest provided that such institution
2 documents the use of deposited funds for community
3 development projects.

4 (c) The State Treasurer may, in his or her discretion,
5 accept a proposal from an eligible institution that provides
6 for a reduced rate of interest on deposits of State moneys if
7 the institution agrees to a plan, the terms and conditions of
8 which are approved by the State Treasurer, to (i) make home
9 loans to Illinois citizens purchasing a home in Illinois in
10 situations where the institution would not offer the borrower
11 a home loan under the institution's prevailing credit
12 standards without the incentive of a reduced rate of interest
13 on deposits of State moneys and (ii) refrain from commencing
14 or pursuing foreclosure proceedings with respect to home
15 loans of Illinois citizens who have failed to make payments
16 on the home loan as a result of a temporary layoff or
17 disability, but who have resumed making payments on the home
18 loan and have made at least 2 consecutive payments, when
19 under the institution's prevailing policies it would commence
20 or pursue foreclosure proceedings if it were not for the
21 incentive of a reduced rate of interest on deposits of State
22 moneys.

23 For the purposes of this Section, "home loan" means a
24 loan, other than an open-end credit plan or a reverse
25 mortgage transaction, for which (i) the principal amount of
26 the loan does not exceed 50% of the conforming loan size
27 limit for a single-family dwelling as established from time
28 to time by the Federal National Mortgage Association, (ii)
29 the borrower is a natural person, (iii) the debt is incurred
30 by the borrower primarily for personal, family, or household
31 purposes, and (iv) the loan is secured by a mortgage or deed
32 of trust on real estate upon which there is located or there
33 is to be located a structure designed principally for the
34 occupancy of one family and that is or will be occupied by

1 the borrower as the borrower's principal dwelling.

2 (d) If there is an agreement between the State Treasurer
3 and an eligible institution that details the use of deposited
4 funds, the agreement may not require the gift of money,
5 goods, or services to a third party; this provision does not
6 restrict the eligible institution from contracting with third
7 parties in order to carry out the intent of the agreement or
8 restrict the State Treasurer from placing requirements upon
9 third-party contracts entered into by the eligible
10 institution.

11 (Source: P.A. 89-350, eff. 8-17-95.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law."