

1 AN ACT concerning mortgages.

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 Section 15-1403 and adding Section 15-1406 as
6 follows:

7 (735 ILCS 5/15-1403) (from Ch. 110, par. 15-1403)

8 Sec. 15-1403. Common Law Strict Foreclosure. Except as
9 otherwise provided in Section 15-1406, nothing in this
10 Article shall affect the right of a mortgagee to foreclose
11 its mortgage by a common law strict foreclosure as in
12 existence in Illinois on the effective date of this Article.
13 (Source: P.A. 84-1462.)

14 (735 ILCS 5/15-1406 new)

15 Sec. 15-1406. Loss of employment.

16 (a) In this Section:

17 "Single family residence" means a house, condominium, or
18 other mortgaged premises located in Illinois and occupied by
19 a mortgagor or mortgagors (or by a mortgagor or mortgagors
20 and members of the mortgagor or mortgagors' family) as a
21 residence for that individual or family only and not for any
22 commercial purpose.

23 (b) If a mortgagor of a single family residence
24 experiences a temporary or permanent loss of employment
25 because of a layoff, lockout, or strike and the employment
26 had been the primary source of income of the mortgagor's
27 household, the mortgagor may notify the mortgagee of those
28 facts. Within 14 days after receiving such a notice from a
29 mortgagor, the mortgagee may send a notice to the mortgagor
30 requiring the mortgagor to supply verification of those

1 facts, in which case the mortgagor shall send or cause to be
2 sent to the mortgagee verification of those facts within 14
3 days after receiving the notice from the mortgagee.

4 (c) After the mortgagee receives the notice of temporary
5 or permanent loss of employment from the mortgagor under
6 subsection (b) and any verification requested under
7 subsection (b), the mortgagee may not initiate (or, if
8 already initiated, proceed with) any action to foreclose on
9 the mortgage (either under this Article or by common law
10 strict foreclosure or any other method) and may not initiate
11 (or, if already initiated, proceed with) any other action to
12 declare a default or terminate the ownership or possessory
13 interest of the mortgagor or mortgagors in the single family
14 residence during the time period applicable under subsection
15 (d) if the mortgagor or mortgagors comply with the
16 requirements of subsection (d).

17 (d) After experiencing a loss of employment, sending
18 notice to the mortgagee, and supplying any requested
19 verification to the mortgagee, all as provided in subsection
20 (b), the mortgagor or mortgagors shall make monthly payments
21 to the mortgagee that do not include payments on principal
22 but are sufficient to pay the interest accrued during the
23 month (and replenish the escrow account if necessary). When
24 the mortgagor again becomes employed or one year has elapsed
25 since the mortgagor or mortgagors began making monthly
26 payments of interest and escrow in accordance with this
27 subsection (d), whichever is earlier, the mortgagor or
28 mortgagors shall resume regular monthly payments of principal
29 and interest and shall remit additional monthly sums in equal
30 monthly amounts that will pay in full, over a 6 month period,
31 all principal that was unpaid during the loss of employment.
32 If the mortgagor or mortgagors comply with the requirements
33 of this Section, any purported default resulting from the
34 failure of the mortgagor or mortgagors to pay the principal

1 in a timely manner during the period described in subsection
2 (d) shall be deemed to be cured and the mortgagee may not
3 take any action the mortgagor or mortgagors based on that
4 purported default. If the mortgagor or mortgagors fail to
5 comply with any of the requirements of this Section, the
6 protections set forth in this Section shall no longer apply
7 to the mortgagor or mortgagors.

8 (e) Upon the motion of a mortgagor, a court shall stay
9 any action of a type described in subsection (c) if the
10 action was filed on or after the date the mortgagor or
11 mortgagors sent their initial notice under subsection (b). If
12 the mortgagor or mortgagors comply with the requirements of
13 this Section, the court shall dismiss the action after the
14 mortgagor or mortgagors complete their payments of unpaid
15 principal under subsection (d). If the mortgagor or
16 mortgagors fail to comply with any of the requirements of
17 this Section, the stay shall be vacated upon the motion of
18 the mortgagee.

19 (f) A mortgagor or mortgagors who have previously
20 availed themselves of the protections set forth in this
21 Section may not again avail themselves of those protections
22 unless they complied with this Section when they previously
23 availed themselves of those protections and at least one year
24 has elapsed since the mortgagor or mortgagors completed their
25 payments of unpaid principal under subsection (d).

26 (g) This Section applies only to mortgages entered into
27 on or after the effective date of this amendatory Act of the
28 92nd General Assembly.