

AN ACT concerning property.

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

Section 5. The Mortgage Escrow Account Act is amended by changing Sections 2 and 4 and by adding Section 15 as follows:

(765 ILCS 910/2) (from Ch. 17, par. 4902)

Sec. 2. As used in this Act, unless the context requires otherwise:

(a) "Escrow Account" means any account established by the mortgage lender in conjunction with a mortgage loan on a residence, into which the borrower is required to make regular periodic payments and out of which the lender pays the taxes on the property covered by the mortgage.

(b) "Borrower" means the person obligated under the mortgage loan.

(c) "Mortgage Lender" means any bank, savings bank, savings and loan association, credit union, mortgage banker, ~~building and loan association~~ or other institution, association, partnership, corporation or person who extends the loan of monies for the purpose of enabling another to purchase a residence or who services the loan, including successors in interest of the foregoing.

(d) "Escrow-like Arrangement" means any arrangement the intent of which is to serve the same purposes as an escrow account but which does not require the formal establishment of an account.

(Source: P.A. 79-625.)

(765 ILCS 910/4) (from Ch. 17, par. 4904)

Sec. 4. On or after the effective date of this Act, each mortgage lender in conjunction with the granting or servicing of a mortgage on a single-family owner occupied residential

property, shall comply with the provisions of this Act.

(Source: P.A. 79-625.)

(765 ILCS 910/15 new)

Sec. 15. Notice of tax payments.

(a) When any mortgage lender pays the property tax from an escrow account, the mortgage lender must give the borrower written notice of the following, within 45 business days after the tax payment:

(1) the date the taxes were paid;

(2) the amount of taxes paid; and

(3) the permanent index number, mortgage account number, address of the property, or other property description that is used for assessment and taxation purposes under the Property Tax Code.

(b) The notice required in subsection (a) may be included on or with other documents, notices, or statements provided to the borrower. If more than one borrower is obligated on the loan, only one borrower who is primarily liable on the loan need be given notice. Notice may be delivered, mailed, or transmitted by any usual means of communication.

(c) Notwithstanding the requirements in subsection (a), a mortgage lender that provides notice to a borrower in the manner provided in subsection (b) of a means of communication for the borrower to access the information set forth in subsection (a) by telephone, facsimile, e-mail, Internet access, or other means of communication, is deemed to be in compliance with subsection (a).