

AN ACT concerning regulation.

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

Section 1. Short title. This Act may be cited as the Illinois Homeowner's Emergency Assistance Program Act.

Section 5. Illinois Housing Development Authority; powers; duties.

(a) The Illinois Housing Development Authority shall have the power to issue grants to residents of Illinois who are eligible for assistance as described in this Act.

(b) The Authority shall implement and administer the program established by this Act.

(c) The Authority shall ensure that a homeowner receiving assistance under this Act has received counseling from a HUD-certified housing counseling agency.

Section 10. Definitions. For purposes of this Act:

"Authority" means the Illinois Housing Development Authority.

"Counseling" means in-person counseling provided by a counselor employed by a HUD-certified housing counseling agency or, where a hardship would be imposed on a homeowner, documented telephone counseling. A hardship exists if the

homeowner is confined to his or her home due to a medical condition, as verified in writing by a physician, or the homeowner resides 50 miles or more from the nearest participating HUD-certified housing counseling agency. In instances of telephone counseling, the homeowner must supply any necessary documents to the counselor at least 72 hours prior to the scheduled telephone counseling session.

"Counselor" means a counselor employed by a HUD-certified housing counseling agency.

"Lender" means that term as it is defined in Section 1-4 of the Residential Mortgage License Act of 1987.

"Good faith" means honesty in fact in the conduct or transaction concerned.

Section 15. Eligibility for assistance.

(a) No assistance may be given to a homeowner pursuant to this Act unless:

(1) The property securing the mortgage is the homeowner's primary residence.

(2) The homeowner is a resident of this State and his or her property is being foreclosed due to failure to make mortgage payments.

(3) The lender agrees to halt foreclosure proceedings upon written notification by the Authority that a homeowner has been approved for assistance.

(4) The homeowner's household income is less than 120%

of area median income determined by the U.S. Department of Housing and Urban Development.

(5) The mortgage lender agrees to renegotiate in good faith the terms of the mortgage being foreclosed upon written notification that the homeowner has been approved by the Authority.

(6) The homeowner has attended a counseling session that was provided by a HUD-certified housing counseling agency.

(7) The borrower is a resident of this State.

(8) The homeowner agrees to defend and indemnify and hold harmless the Authority from and against any and all damages arising out of the Authority's payment on behalf of the borrower.

(9) The lender agrees to defend and indemnify and hold harmless the Authority from and against any and all damages arising out of the Authority's payment on behalf of the borrower.

(b) Upon a determination that the conditions of eligibility described in this Act have been met, and funds for assistance are available, the homeowner shall become eligible for the assistance described in Section 20 of this Act.

Section 20. Assistance payments.

(a) If the Authority determines that a homeowner is eligible for assistance under this program, the Authority shall

pay directly to each lender payments on behalf of the homeowner seeking assistance under the program. This amount shall include, but not be limited to, delinquencies of principal, interest, taxes, assessments, ground rents, hazard insurance, mortgage insurance, and credit insurance premiums.

(b) An eligible applicant may not receive a grant in excess of \$6,000, or the sum of 3 monthly mortgage payments on the property, whichever is less.

(c) Grants made under this Act may only be used to satisfy mortgage financing with a first lien position.

Section 25. Program funding.

(a) The Authority shall use only funds specifically appropriated by the General Assembly for the purposes of this Act to make payments to lenders, to provide reimbursement to HUD-certified housing counseling agencies for costs incurred in assisting borrowers, and to reimburse the Authority for administration of the program. Assistance under this Act shall not be available at any time the Authority does not have funds currently available to approve applications for emergency mortgage assistance.

(b) This Act is subject to appropriation; however, at no time shall the cumulative amount of grants issued under this program exceed \$3,000,000 in a calendar year.

Section 30. Repealer. This Act is repealed on January 1,

Public Act 096-0921

HB2360 Enrolled

LRB096 09284 MJR 19438 b

2011.

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