



# NEWS

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From the Illinois Senate

## *State Senator Jacqueline Y. Collins*

**For Immediate Release**  
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### **Collins passes landmark foreclosure legislation to aid homeowners**

**SPRINGFIELD, IL – State Senator Jacqueline Y. Collins (D - 16<sup>th</sup> District)** today passed a bill in the Senate to help stem the rising tide of foreclosures in Illinois. The measure gives homeowners who are delinquent on their mortgage payments up to a 90-day grace period from foreclosure proceedings if they agree to seek housing counseling.

“This legislation is vitally important because of the current housing and credit crisis,” Collins said. “Homeowners facing foreclosure need time and professional help to renegotiate their mortgage. This is proactive legislation that will stabilize our communities and help families stay in their homes.”

The legislation establishes a 30-30-30 grace period. It prohibits lenders from initiating foreclosure proceedings within the first 30 days a homeowner is in delinquency. After 30 days, the lender is required to notify the homeowner of the availability of housing counseling. Homeowners who enter into counseling will have an additional 30 days to develop a loan workout plan with their lenders.

Illinois was ranked 9<sup>th</sup> in the country for mortgage foreclosures in the third quarter of this year. In the first half of this year, Cook County saw a 47.8% increase in foreclosures and by the beginning of 2009 foreclosures are expected to top 42,000. In recent years, many homeowners have been hit by adjustable-rate mortgages, predatory lenders and late payment penalties. Many homeowners experience a feeling of powerlessness as they watch their mortgage payments and late fees add up.

“If the federal government and the Federal Reserve can find \$700 billion to bail out Wall Street, \$85 billion for AIG, and \$30 billion to salvage Bear Stearns – just to name a few – we have an obligation and responsibility to craft policies to help struggling homeowners fighting to retain their part of the American dream,” Collins said.

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