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Illinois House Considers Bill to Allow “Bonding Off” of Mechanics Liens

Lenders in Illinois might want to take note of pending Illinois House Bill 2804. The bill would amend the Mechanics Lien Act, so as to allow “bonding off” of mechanic liens for the first time in Illinois. Nearly every state but Illinois currently allows the removal of a mechanics lien from the real estate by substituting a bond as security. In the absence of this common provision, an Illinois construction lender, even one with title insurance, might find its foreclosure delayed for months or years by mechanic lienors who object to any foreclosure sale until their liens are resolved. HB 2804, which was drafted in conjunction with advocates for contractors, represents an important step to remedy this statutory gap. The bill is currently under consideration by the Illinois House Judiciary Committee. A copy of the bill and its current status can be viewed through the [Legislature’s website](#).

For more information, please contact your Katten Muchin Rosenman LLP attorney, or any of the following members of Katten’s **Real Estate Litigation Practice**.

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