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Illinois Supreme Court Delivers a Third Key Win for Mortgage Lenders

Mortgage Liens Survive Beyond the Statute of Limitations

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In our earlier posts, we covered the following recent changes to Illinois mortgage enforcement law:

- First, Senate Bill 2951 confirmed that a 10-year limitations period applies to indebtedness of any kind secured by a mortgage.
- Second, the recent appellate decision in *Bank of New York Mellon v. Bartelstein* held that a timely foreclosure complaint seeking a deficiency judgment keeps the limitations period on the note from running out while the foreclosure is pending.

However, one question remained unanswered: **Does a mortgage lien survive after the time to foreclose has run?** *The Illinois Supreme Court has now said yes.*

The Decision

In *Chicago Title Land Trust Co. v. Watkin*, 2026 IL 132383 (Sept. 24, 2026), a unanimous Illinois Supreme Court held that a property owner cannot bring a quiet title action to remove a mortgage lien based only on the expiration of the 10-year limitations period for foreclosure.

Under section 13-116 of the Code of Civil Procedure, the lien itself survives at least 20 years from the date the last payment is due.

Background

- The borrower signed a one-year note for up to $150,000, secured by a mortgage on property in Wilmette, and never made a payment.

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- The lender filed a foreclosure action one day before the 10-year limitations period expired. That action was subsequently dismissed without prejudice, and the lender never refiled.
- About a year after the limitations period ran, the borrower filed a quiet title action asking the court to declare that the mortgage lien had "no force and effect."
- The trial court granted summary judgment for the lender, and the decision was affirmed.

The Court's Reasoning

The Statutes do Different Jobs

Sections 13-206 and 13-115 bar actions on the note and the mortgage after 10 years, but the court noted that they "say nothing about the extinguishment or continuing existence of the mortgage lien."

Section 13-116, by contrast, expressly provides that the lien of every mortgage "shall cease by limitation" 20 years after the last payment became due, unless an extension agreement is recorded.

Reading the two provisions together, the court concluded that **the lien ends at the 20-year mark,** not when the 10-year enforcement period expires.

"Every Mortgage" Means Every Mortgage

The court rejected the borrower's argument that section 13-116 exists only to clear stale mortgages from the record for the protection of third parties. It found that the statute's language is "without exception or qualification."

The court also pointed out that states, such as Oklahoma, Colorado, California, Montana, and Washington, have statutes that expressly tie lien extinguishment to the foreclosure limitations period or allow quiet title once foreclosure is time-barred. **Illinois has no such statute,** and the court presumed the legislature did not intend such a result.

Limitations Periods Bar the Remedy, Not the Right

A limitations period does not extinguish substantive rights. The debt "remains the same as before, excepting that the remedy for enforcement is gone."

Equity

Because quiet title is an equitable action, the maxim "he who seeks equity must do equity" applies.

A borrower who never paid the debt cannot use equity to remove the lien. As the court put it, the borrower can obtain a release by paying the debt; "[o]therwise, she will have to wait."

Why it Matters for Lenders

The *Watkin* decision rounds out a favorable year for Illinois mortgage lenders. Even when the foreclosure remedy is time-barred, the lender retains a valid mortgage lien with residual value and negotiating leverage until the 20-year extinguishment deadline.

Between the 10-year and 20-year marks, borrowers cannot strip the lien through a quiet title action. To get an earlier release, they must pay off the secured debt.

In combination with SB 2951 and the *Bartelstein* decision, e *Watkin* gives Illinois lenders and servicers a clearer, more predictable enforcement framework.

Compliance Insights for Lenders

Track Two Separate Dates

- The 10-year foreclosure limitations period and the 20-year lien extinguishment deadline are distinct, and the lien survives the first.

Record Extension Agreements

- If the time for payment was extended, record an extension agreement before the 20-year deadline to preserve the lien.

Use the Lien in Payoff and Resolution Talks

- A time-barred foreclosure does not mean a worthless lien, particularly when the property is sold or refinanced.

Keep Applying the Lessons from our Earlier Posts

- For HELOCs predating August 21, 2026, argue that SB 2951 "clarifies" existing law and applies retroactively. Make sure foreclosure complaints follow the statutory form and include a request for a deficiency judgment where one is sought.

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