

Sample Foreclosure Timeline

Lender files the foreclosure lawsuit

Lis Pendens filed with Recorder of Deeds

1

months

Landlord

Renter

Renters have the same rights and responsibilities as they would if the foreclosure was never filed. For example, renters must continue paying rent.

Unless a Receiver is appointed to manage the building, the landlord remains responsible and is entitled to collect rent.

Judgment of Foreclosure

6

months

Judicial Sale

12

Order Confirming Sale / Order of Possession

13

months

Renter must be notified by new owner

New Owner

This is an example of a foreclosure case. A case may go slower or faster, and could be dismissed at any point in the process.

No Legal Advice Intended

This brochure contains information that is not intended, and should not be taken, as legal advice on any particular set of facts or circumstances. You should contact an attorney for advice on how the law applies to your situation. Statements are subject to change based upon further reflection or on future changes in the law and are not intended as legal advice.

GET HELP

To speak with someone directly, contact our free Tenants in Foreclosure Help Line (312) 784-3507.

If you have received a summons to appear in court, it is very important to seek legal help!



Lawyers' Committee
for Better Housing

www.lcbh.org

You can also find legal information and help for Illinois residents at www.illinoislegalaidonline.org.

Lawyers' Committee for Better Housing (LCBH) is a civil legal-aid agency that provides advocacy on behalf of low and moderate income renters in the private housing market to help fight wrongful eviction and substandard living conditions, because everyone should have a safe, decent, and affordable place to live. The **Tenants in Foreclosure Intervention Project (TFIP)** is a statewide project of LCBH that works to ensure that the laws protecting tenants are upheld throughout the foreclosure process and provides information to renters regarding their rights and responsibilities during foreclosure.

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Tenants in Foreclosure Intervention Project

for **CHICAGO** renters

Foreclosure Doesn't Mean "Get Out Now!"

RENTERS HAVE RIGHTS!



Lawyers' Committee
for Better Housing



**Tenants in Foreclosure
Help Line
(312) 784-3507**

If you are renting an apartment, house, or condo that is in foreclosure...

You have the right to:

- ✓ Live in a safe apartment with utilities.
- ✓ Be notified in writing if your landlord or building's management changes.
- ✓ Receive written notice if you are asked to move.
- ✓ Get your eviction court record sealed (made confidential).
- ✓ Recover your security deposit.

You may also have the right to:

- ✓ Be offered a lease extension/renewal OR be given relocation assistance.

You also have responsibilities:

- ✓ Continue to pay your rent.

Is Your Building in Foreclosure?

If you have questions or concerns about your apartment building being in foreclosure, you can ask your landlord. You should also do research on your own to find out about the status of your building.

Find your building's PIN at the Assessor's website: <http://cookcountyassessor.com>.

With the PIN, look up the property on the Recorder of Deeds' website: <http://cookrecorder.com>. If a *lis pendens* (suit pending) or *lis pendens foreclosure* notice is recorded, then your building may be in foreclosure. The *lis pendens* should include the court case number.

If you know the court case number, you can look up the case on the Clerk of Court's website: <http://www.cookcountyclerkofcourt.org>.

When using the "Full Electronic Docket Search" to enter the case number, make sure to also select "Chancery" division. Once you find the case, the events (and related dates) to look for include "Case Dismissed," "Order Appointing a Receiver," "Judicial Sale," and "Order Confirming Sale."

If you need help, call the free Tenants in Foreclosure Help Line at (312) 784-3507.

What is Foreclosure?

A foreclosure is a lawsuit where a bank seeks possession of a property. If you rent an apartment, house, or condominium that is in foreclosure, this means that your landlord fell behind on his or her mortgage payments and the bank has initiated a lawsuit to take over the property. The entire legal process can last seven months to over a year. Sometimes, the bank and owner reach an agreement and your landlord continues to own the property. In other cases, the court allows for the sale of the property to a new owner.

During this process, renters and landlords have the same rights and responsibilities as they would if the foreclosure was never filed. For example, **you must continue paying rent**, as failure to pay rent may be grounds for eviction. In some cases, the court may appoint a Receiver (temporary manager) who would then be responsible for collecting the rent and maintaining the property.

Which Laws Protect Renters?

Chicago renters are covered by the federal Protecting Tenants at Foreclosure Act of 2009 (expiring 12/31/14), the Illinois Mortgage Foreclosure Law, and the Illinois Forcible Entry and Detainer Act (eviction law). The Keep Chicago Renting Ordinance (KCRO), formally known as the Protecting Tenants in Foreclosed Rental Property Ordinance, also provides many Chicago renters with substantial protections after a foreclosure.

Your Responsibility: Paying Rent

During foreclosure, you must continue paying rent. Ownership and/or management of your apartment may change, and it may be difficult to know where your rent payments should be sent. If you cannot contact your landlord and have not yet received a written change of ownership notice, you should save your rent and keep it aside until you get the proper notice. If an eviction is filed against you for not paying rent, but you were never notified that there was a new landlord to pay, you may have a defense against the eviction; you should speak with an attorney.

Are You a Qualified Tenant?

There are several factors that Chicago's ordinance uses to define a "Qualified Tenant."

- You were living in the foreclosed property as your primary residence on the day the bank (or other party) became the new owner of the property.
- You are not the previous owner, or the child, spouse, or parent of the previous owner.
- Your lease (written or verbal) must be the result of an "arms-length transaction" (entered into by people acting in their own best interests).
- Your rent (including subsidies) cannot be substantially lower than fair market rent.

This applies only to renters living in properties where the "Order Confirming Sale" in the foreclosure case occurred on or after September 24, 2013.

Beware of claims saying that you are not a "Qualified Tenant." If a new owner tells you that you are not a "Qualified Tenant," but you feel that you are, you should speak with an attorney. **Most renters are "Qualified Tenants."**

You Have a Right to Live in a Safe Apartment with Utilities

During the foreclosure process, your landlord is responsible for the maintenance of your building. If the court appoints a Receiver (temporary manager), then the Receiver is responsible for maintenance. If your building is not being maintained, or your utilities (gas, electricity, or water) are shut off, talk with your landlord (or Receiver) first. If problems still aren't addressed, call Chicago City Services at 311. The City may investigate and require the owner to make repairs.

You Have a Right to Seal Your Court Record

If you are taken to eviction court because your building is in foreclosure, your court record can be sealed (made confidential) to protect your credit report and your ability to rent in the future.

QUESTIONS? Please call the free Tenants in Foreclosure Help Line at (312) 784-3507.

You May Have a Right to a Lease Extension/ Renewal or Relocation Assistance

After foreclosure, "**Qualified Tenants**" are entitled to

- an offer to extend/renew an existing lease, OR
- relocation assistance.

NEW OWNER CHOOSES WHICH OPTION TO OFFER

If you are offered a lease extension/renewal, your rent amount can only be increased a small amount each year (not more than 2%). You can still be evicted for violating your lease, such as by not paying rent or breaking other lease terms.

If you are offered relocation assistance, a one-time payment of \$10,600 must be paid to you within 7 days of moving out and shall be in addition to any deposits, refunds, or other compensation that you are entitled to receive.

If you turn down an offer for a lease extension/renewal, you are not entitled to the relocation assistance. However, you should be able to stay until the end of your lease. The length of your lease may be affected depending on when during the foreclosure process you signed the lease.

If the new owner fails to offer you a lease extension/renewal or relocation assistance, you have the right to sue for damages, as well as attorneys' fees.

These protections continue until the property is sold to a "*bona fide* third-party purchaser." Protections do not apply if the owner is a Receiver (temporary manager) appointed by the court, an owner who will live in the property as their home, or a not-for-profit that is providing financing for the purchase or rehabilitation of affordable housing.

You Have a Right to Your Security Deposit

After you've moved, the new and former owners are both responsible for the return of your security deposit until it has been transferred to the new owner and you are properly notified. You should speak with an attorney if you are having trouble recovering your security deposit.

You Have a Right to be Notified in Writing if Your Landlord Changes

The foreclosure court may enter an "Order Appointing a Receiver" or an "Order of Possession" with an "Order Confirming Sale." These "orders" indicate a change in management and you must be notified of these changes in writing. A new owner or Receiver must try to find out the names and addresses of all tenants in the building and provide them with a notice. The notice should inform you of the foreclosure, who to contact to request repairs of the property, and how to pay your rent. Failure to give this notice may provide you with a defense against an eviction.

Additionally, Chicago's ordinance requires new owners to give written notice to all tenants regarding potential relocation assistance or a lease extension/renewal, as well as the right to sue for damages if the new owner violates the ordinance.

You Have a Right to Receive Written Notice if You are Asked to Move

Beware of letters and notices posted on your building saying that you must move out immediately.

Your landlord cannot terminate your lease just because of a foreclosure. Furthermore, s/he cannot make you leave by shutting off your utilities (gas, electricity, or water) or changing your locks. If anyone other than a sheriff orders you to move out, your building is boarded up, or your utilities are turned off without a court order, call 911 and file a police report.

For "Qualified Tenants"

Most new owners should be offering you a lease extension/renewal or relocation assistance. If you receive a notice from the new owner that requires you to move out, please speak with an attorney.

Otherwise

You are still entitled to receive a written notice. The length of the notice may be shorter than 90 days, but the notice must still comply with the law. If you receive any notice that requires you to move out in less than 90 days or you are named in the foreclosure case, please speak with an attorney.