

## Your Foreclosure-Related Court Record Must Be Sealed

If you are taken to eviction court because your building is in foreclosure, your court record must be sealed from the public view to protect your credit report and your ability to rent in the future. Foreclosure-related evictions should be sealed at or prior to the first court date. If it wasn't sealed, tell the judge it is a foreclosure-related eviction the first time you come to court. It is important to bring your court documents with you to court so you can identify your case by case number.

## You Have a Right to Your Security Deposit

After you have moved, the new and former owners are both responsible for the return of your security deposit. The former owner is no longer responsible if s/he transfers your deposit to the new owner and notifies you.

## 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 number 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.cook-countyclerkofcourt.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."

## 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 are not addressed, call Chicago City Services at 311. The City may investigate and require the owner to make repairs.

## 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.

## 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. Most renters are "qualified" or "bona fide" tenants and are entitled to 90 days' notice before an eviction case can be filed against them. If you receive a notice asking you to move in less than 90 days or you are brought into the foreclosure case, then contact an attorney.

Furthermore, your landlord cannot terminate your lease just because of a foreclosure. S/he also 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, file a police report, and consider contacting a lawyer.

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

## No Legal Advice Intended

This brochure contains information that is not intended, and should not be taken, as legal advice. You should contact an attorney for advice on how the law applies to your situation.



Lawyers' Committee  
for Better Housing

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The mission of Lawyers' Committee for Better Housing (LCBH) is to provide free legal and supportive services to improve housing stability for lower income renters while advocating for the rights of all renters until everyone in Chicago has a safe, decent, and affordable place to call home. Visit our website at [www.lcbh.org](http://www.lcbh.org).

## Get Help

**Lawyers' Committee for Better Housing (LCBH)**  
If you are a renter living in a building in foreclosure and would like to speak with someone directly, please call our **free** Tenants in Foreclosure Helpline. **(312) 784-3507**.

**CARPLS**  
CARPLS provides legal advice and referrals to individuals who cannot afford to hire a private attorney. **(312) 738-9200**.

**Illinois Legal Aid Online (ILAO)**  
ILAO provides legal information and referrals to Illinois residents. [www.illinoislegallaid.org](http://www.illinoislegallaid.org).

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

# Chicago Renters Have Rights When Living in a Foreclosed Building

*Foreclosure doesn't mean  
"Get out now!"*

**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 from the public view.
- ✓ Recover your security deposit.

**You may also have the right to:**

- ✓ Be offered a lease extension/renewal OR be given relocation assistance.
- ✓ Be offered a replacement unit if you are living in an "unlawful conversion" or an "unlawfully hazardous unit" with substantial disrepair.

**You also have responsibilities to:**

- ✓ Continue to pay your rent.
- ✓ Respond to the new owner's offer to renew or extend your rental agreement or choice to provide the relocation assistance if you are a "qualified tenant."

**Tenants in Foreclosure Helpline  
(312) 784-3507**

## What Is Foreclosure?

A foreclosure is a lawsuit where a bank seeks possession of a property from your landlord, most likely because your landlord failed to make mortgage payments. The entire legal process can last from seven months to over a year. Sometimes, the bank and your landlord reach an agreement or your landlord successfully defends the foreclosure case and continues to own the property or sells the property to a new owner through a “short sale.”

During the foreclosure 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 foreclosure court may appoint a Receiver (temporary manager) who would then be responsible for collecting the rent and maintaining the property.

## Your Responsibility: Paying Rent

During foreclosure, you must continue paying rent. Ownership and/or management of your unit may change, and it may be difficult to know where your rent payments should be sent. PROTECT YOURSELF by getting and keeping rent receipts or other proof for all rental payments. If you cannot contact your landlord or 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 a foreclosure court appoints a Receiver to temporarily manage the building, then you must pay rent to the Receiver. If an eviction is filed against you for not paying rent, but you were not notified correctly that there was a new owner or manager 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 new owner obtained the property in foreclosure.
- With some exceptions, you are not the previous owner, or the child, spouse, or parent of the previous owner.
- Your rental agreement (written or oral) 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 less” than fair market rent.

**BEWARE** of claims saying that you are not a “Qualified Tenant.” If a new owner tells you that your rent is too low or you are otherwise not a “Qualified Tenant,” you should speak with an attorney. **Most renters are “Qualified Tenants.”**

## 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 oral or written rental agreement, OR
- \$10,600 in relocation assistance.

### New Owner Chooses Which Option to Offer

If you are offered a rental agreement 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 not paying rent or breaking other lease terms.

If the new owner does not extend or renew your rental agreement, a one-time payment of \$10,600 per unit must be paid to you within 7 days of moving out, and is in addition to any deposits, refunds, or other compensation that you are entitled to receive.

It is important that you are responsive to the new owner’s requests. You will receive a Tenant Information Disclosure Form from the new owner or its agent, requesting basic information about you as a tenant.

## Timeline After Foreclosure for Qualified Chicago Renters

It is very important to communicate with the new owner. You can lose your rights if you do not respond once the new owner has made you an offer either extending or renewing your rental agreement (oral or written) or offering you the relocation assistance.

Within 21 days after taking over the property, the new owner must provide a notice to all tenants (“qualified” or not) telling them about the new owner’s option to renew or pay relocation assistance. This Notice must be in four languages: English, Spanish, Chinese, and Polish. A “Tenant Information Disclosure Form” must also be provided. The information from this Form will help the new owner assess which option they wish to offer the renter, either to renew or pay the relocation assistance.

You should send back the completed “Tenant Information Disclosure Form” to the new owner within 21 days of receiving it. The owner then has 21 days after receiving the completed Form to decide whether they will renew or extend your rental agreement or offer the relocation assistance. If you do not return the Form, the new owner must still provide you with the offer within 42 days from the date you originally received the Form. While failing to return the Form will not automatically disqualify you, your cooperation will help the new owner make an informed decision. It may also foster a better working relationship between you and the new owner, especially if you stay in the property for any length of time.

Once the new owner has given you an offer, you then have 21 days to either accept or reject the offer. **If you do not respond to the new owner’s offer, the new owner does not have to extend or renew the lease or provide you with the relocation assistance when you move!**

Some units are in such bad condition that they are considered “unlawfully hazardous” or are an “unlawful conversion” under the Chicago building code and therefore, a tenant’s lease for the unit cannot be renewed. In these cases, the new owner may offer the tenant a replacement unit at no more than 2 percent more than what the tenant was paying the previous year. If the **tenant chooses** not to accept a replacement unit, the new

owner must pay the tenant a relocation fee of \$10,600. The law is specific about which units are “unlawfully hazardous” or an “unlawful conversion”; speak to an attorney if you have questions about your particular unit.

Unless you are in an unlawfully hazardous or an unlawful conversion, if you turn down an offer for a renewal or extension of your rental agreement, you are not entitled to the relocation assistance. However, you should be able to stay until the end of your rental agreement. The law might cut short the term of your lease, depending on when you entered into the lease during the foreclosure process. For instance, if you signed your lease after the judicial sale but before the order confirming the judicial sale, then your lease will be deemed to be a month-to-month, even if the lease was for a longer term.

If the new owner fails to offer you a lease extension/renewal or fails to pay relocation assistance, you have the right to sue for two times the relocation assistance, or \$21,200, as well as attorneys’ fees, plus any other remedies you may be entitled to, for example, a refund of your security deposit. These protections continue until the property is sold to a “bona fide third-party purchaser” not affiliated with the new owner. 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.

## Which Laws Protect Renters?

The Keep Chicago Renting Ordinance (KCRO), formally known as the Protecting Tenants in Foreclosed Rental Property Ordinance, provides many Chicago renters with substantial rights and protections after a foreclosure. The Illinois Mortgage Foreclosure Law and the Illinois Forcible Entry and Detainer Act (eviction law) also cover Chicago renters.