

Rights of Renters in Foreclosed Buildings

What is a foreclosure?

If your landlord is not able to pay the bills, the bank who lent your landlord money can file a foreclosure case against them. Sometimes the owner will work something out and be able to keep the building, and sometimes they will be forced by the court to sell the building.

What does a foreclosure mean for renters?

Finding out that your building is being sold can be confusing and scary, but it DOES NOT mean that your tenancy is over and you have to leave. Just like any Chicago tenant, renters in foreclosed properties have the right to:

- Have the lease or verbal tenancy honored by the old and the new owner.
- Have repairs made.
- Be protected from unlawful retaliation or lockouts.
- Be notified in writing if the new owner wants to raise your rent or ask you to move.
- Have the security deposit returned, even if it was paid to the old landlord.

Please note that the foreclosure process can sometimes take as long as 1-2 years. While the foreclosure is still pending, you should continue to pay rent to the current owner.

If the foreclosed building was sold after July 21, 2021, qualified renters may have additional rights under the City's "Keep Chicago Renting Ordinance," including:

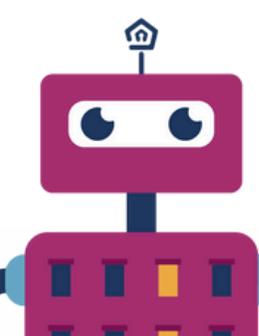
- The right to written notice of changes in ownership, management, and KCRO rights.
- The right to a written offer of a new lease that lasts at least 12 months or be paid \$10,600 in relocation assistance to move.
- The right to refuse an offered lease, if the tenant would rather receive the \$10,600 relocation assistance fee.
- The right to be offered a replacement unit if the foreclosed apartment is in an unlawfully hazardous condition.

In order to be a "qualified renter," you need to meet certain criteria, such as living in the property before the sale, pay reasonable rent, and not be a direct relative of the owner.

How do I keep my rights under the Keep Chicago Renting Ordinance?

- Pay rent and follow the requirements of the rental agreement.
- Make your contact information available to the new owner.
- If the new owner offers a rental agreement that you want to accept, you should respond in writing within 21 days.

If you think your building is going through a foreclosure and you'd like to learn more about your rights, please call our free Tenants in Foreclosure Helpline at (312) 784-3507.



Have more questions about the KCRO? Chat with us at www.rentervention.com or text "Hi" to 866-773-6837