

Office of the Illinois Attorney General
Guidance from the Consumer Protection Division Regarding Relief for
Homeowners and Renters During the COVID-19 Pandemic
Updated August 14, 2020

This document is intended to serve as guidance from the Office of the Illinois Attorney General’s (“OAG”) Consumer Protection Division regarding financial relief available to homeowners and renters throughout Illinois during the COVID-19 pandemic. The OAG cannot provide legal advice and homeowners and tenants should consult with an attorney to receive advice tailored to their specific circumstances. This document covers financial relief related to housing. Please see the OAG’s document titled “Guidance Related to Loans and Debt” for information about other types of loans and debt.

Relief for Homeowners

If you can’t pay your mortgage because you’ve lost your employment, had your hours reduced, or have become sick as a result of COVID-19, call your mortgage servicer. You may be eligible for relief under the federal CARES Act.

- If you have a **federally-backed loan**, your mortgage servicer must offer you a **forbearance of up to 6 months** if you can’t afford your mortgage payment because of COVID-19.
- A federally-backed loan includes:
 - FHA loans,
 - HECM reverse mortgages,
 - USDA and VA loans,
 - loans that are sold to or securitized by Fannie Mae or Freddie Mac, and
 - Section 184 and 184A guaranteed mortgages.
- If you don’t know if you have a federally-backed loan, you can contact your mortgage servicer to find out. Fannie Mae (<https://www.knowyouroptions.com/loanlookup>) and Freddie Mac (<https://ww3.freddie.com/loanlookup/>) also have lookup tools that a homeowner can use to determine whether the homeowner has a Fannie Mae or Freddie Mac loan.
- To receive a forbearance, you need to contact your servicer and explain that you cannot afford your mortgage payment because of COVID-19. You should not be required to submit any additional documents to receive the forbearance.
- You are eligible for this forbearance regardless of whether you are current or delinquent on your loan.
- The forbearance period can be **extended for another 6 months if needed**.

- If you do **not** have a federally-backed loan, you should still **contact your servicer** if you can't afford your mortgage payment. You may be eligible for other temporary forbearance programs.

What is Forbearance?

Forbearance means that you do not have to pay your monthly payment during the forbearance period. If you receive a CARES Act forbearance, you should not be charged late fees or penalties because of the forborne payments. However, you still owe the money. At the end of the forbearance period you will either need to repay the forborne amount or enter into a repayment plan or modification. You will need to contact your servicer to determine if you qualify for a repayment plan or modification.

Foreclosure Moratorium

- The CARES Act prohibits mortgage servicers from beginning a foreclosure case, obtaining a judgment of foreclosure, or completing a foreclosure sale or a foreclosure-related eviction for 60 days from March 18, 2020 against any borrower with a federally-backed loan.
- Although the CARES Act foreclosure moratorium has expired, however HUD (which oversees FHA and HECM loans), the VA, USDA, Fannie Mae, and Freddie Mac have extended the foreclosure moratorium for their loans through August 31, 2020.
- The Chief Judge for the Cook County Circuit Courts has also issued an order staying all foreclosure judgments, foreclosure sales, and foreclosure-related eviction in Cook County until August 22, 2020. If you live outside of Cook County, you should contact your local clerk's office to see if there is a local order that applies to your home.

Emergency Mortgage Assistance

The State of Illinois has announced a new Emergency Mortgage Assistance program that will provide grants of up to \$15,000 to be applied to mortgage balances on behalf of borrowers who have been impacted by COVID-19 and meet the eligibility requirements. **Applications for this program will begin on August 24, 2020.** Funds are limited, and an application is not a guarantee of assistance. More information is available here: <https://ema.ihda.org/>.

Relief for Renters

Federal, state, and local agencies have issued statutes and orders to provide relief for renters.

- Illinois' Governor Pritzker has issued an executive order that prohibits the filing of residential eviction cases or the execution of residential evictions orders through **August 22, 2020**, unless the "tenant poses a direct threat to the health and safety of other tenants, an

immediate and severe risk to property, or a violation of any applicable building code, health ordinance, or similar regulation.”

- The Chief Judge for the Cook County Circuit Courts has issued a moratorium on the filing residential eviction cases and the enforcement of residential eviction orders in Cook County until August 22, 2020. If you live outside of Cook County, you should contact your local circuit court clerk’s office to see if there is a moratorium that applies to your home. Find the contact information for your circuit court clerk’s office here: http://www.illinoiscourts.gov/circuitcourt/circuitcourtjudges/ccc_county.asp
- The City of Chicago has passed an ordinance that allows a tenant who has been impacted by COVID-19 more time and options to reach an agreement with the landlord. Tenants usually have 5 days to repay outstanding rent after receiving a notice of termination from the landlord. If the tenant notifies the landlord in writing of a COVID-19 impact, the ordinance creates a 7 day negotiation period where the landlord is required to negotiate in good faith with the tenant to attempt to reach plan to avoid eviction. The plan to avoid eviction may be a repayment plan, an agreement to use the security deposit to reduce the outstanding rent, going to arbitration or mediation, an agreement to move out by a certain date to avoid eviction, or other arrangements that the landlord and tenant both agree to. The plan to avoid eviction must be written. If the landlord and tenant agree to a repayment plan, the repayment plan must give the tenant at least two months to repay each outstanding rental payment. The ordinance also limits the amount of interest and fees that can be charged in the repayment plan. The ordinance does not require the landlord and tenant to agree upon a repayment plan, but it does require the landlord to negotiate in good faith. If you do not live in Chicago, you should check with your local government to see if any additional protections have been provided to renters who have been impacted by COVID-19.
- The federal government passed the CARES Act, which prohibits landlords of certain types of rental property from beginning an eviction case against a tenant for the nonpayment of rent for 120 days from March 18, 2020. **Although this federal moratorium has now expired, the CARES Act still requires landlords to serve a 30 day notice of termination before filing a new eviction case against a tenant.** This statute applies to:
 - housing programs covered under the Violence Against Women Act, which includes most federally-assisted rental housing programs,
 - the rural housing voucher program, and
 - properties with federally-backed loans. Some federally-backed loans have lookup tools that a renter can use to see if the CARES Act may apply to their building. For example, a renter can use these websites to see if there is a Fannie Mae (<https://www.knowyouroptions.com/rentersresourcefinder>) or Freddie Mac (<https://myhome.freddie.mac.com/renting/lookup.html>) loan related to their building.

The CARES Act prohibits landlords from charging any fees or penalties to a tenant for the nonpayment of rent during the moratorium. The CARES Act does not apply to pending eviction cases.

- None of these state, federal, or local actions mean that a tenant is relieved of the obligation to pay rent.
- If you can't afford your rent or if you receive a notice of termination or eviction court papers, you should contact local legal aid organizations for legal representation or advice. You may also consider contacting your landlord to see if you can agree to repayment plan. If you reach an agreement with your landlord, make sure you get a written copy of the agreement.

Emergency Rental Assistance

You may also be eligible for rental assistance programs.

- The State of Illinois has announced a new Emergency Rental Assistance program for renters who have been affected by COVID-19 and meet the eligibility requirements. The program will provide grants of up to \$5,000 to be applied against outstanding rent. Funds are limited, and an application is not a guarantee of assistance. **Applications are due by August 21, 2020.** Additional information and the application is available here: <https://era.ihda.org/>.
- The City of Chicago has a rental assistance program, with application information available here: https://www.chicago.gov/city/en/depts/fss/provdrs/serv/svcs/how_to_find_rentalassistanceinchicago.html?fbclid=IwAR2Gpz9YR92TernnWkGc4AsVSBfBAjbq5H-l3JoDAd3GwPmKtcCr6LwTXYU

Relief for Landlords

If you own a **multi-family property that is secured by federally-backed loans**, and you are experiencing a financial hardship due to COVID-19, you may request a **forbearance of up to 30 days** under the CARES Act. You will need to contact your mortgage servicer to receive this forbearance.

- You need to have been current on your loan as of February 1, 2020, to qualify.
- The 30-day forbearance period may be extended twice, if needed.
- An owner cannot begin or complete an eviction of a tenant for the nonpayment of rent during the forbearance period.

Be Vigilant Against Scammers

Scammers often exploit situations of financial uncertainty. Be wary of any individual or entity who:

- charges an upfront fee for a forbearance or modification,
- asks you to make payments to someone other than your mortgage servicer,
- promises that they can obtain a modification for you or save your house from foreclosure,
- asks you to transfer title to the property, or
- asks you to sign documents that you do not understand.

If you need a forbearance or modification, contact your mortgage servicer. If you want to talk to a housing counselor about your options, you can find a HUD-approved housing counselor in your area here: <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>.

Report scammers to the Illinois Attorney General's Office. You should also contact our office if you are having difficulty with your mortgage servicer. You can call our Homeowner Helpline at (866) 544-7151 or you can submit a complaint through our website: <https://ccformsubmission.ilattorneygeneral.net/>.

To minimize risk from the COVID-19 pandemic, the OAG is currently operating with reduced staff. This may mean that responses to complaints, email, and telephone calls may be delayed. The OAG appreciates your patience during this time.