



# NEWS

from the Illinois Senate

## *Financial Institutions Chair Jacqueline Y. Collins*

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### **BILL PROTECTING RENTERS AMIDST FORECLOSURE PASSES SENATE**

**SPRINGFIELD, IL**— A bill sponsored by state legislators Sen. Jacqueline Y. Collins and Rep. Will Burns and will protect innocent renters from the current foreclosure crisis if signed into law.

House Bill 3863 guarantees notice of foreclosure to tenants living in distressed properties. The bill specifies that after the foreclosure of a property is complete, new management must make good faith efforts to identify residents of the property and notify them of new ownership, inform residents that the property has been foreclosed and provide contact information for resident concerns and repair requests. The bill also clarifies eviction procedures by providing a tenant a minimum of 30 days to move after the eviction hearing if the tenant is evicted under the Illinois Mortgage Foreclosure Law.

“Renters make up about 40% of the families facing the loss of their housing due to foreclosure and more than one in every five foreclosed properties is a rental property nationally,” Collins said. “It’s important renters are afforded the same rights which we’ve worked so hard to grant homeowners.”

Under current law, renters in foreclosed properties often do not know that their building is in foreclosure – frequently only learning about the foreclosure when they are told to leave the property. Likewise, renters often find themselves without any idea who owns the property, where they should be paying rent, or who to contact for repairs. As a result, renters find themselves homeless or living in poor conditions. House Bill 3863 could help maintain rental housing, prevent declining neighborhoods due to abandonment, and ensure adequate notice for renters who may need to secure new housing.

“The wave of foreclosures has hit the city of Chicago hard and many very tragic stories have been heard, but the plight of renters who lose their home through no fault of their own has been somewhat hidden,” Burns said. “More than thirty percent of foreclosure filings last year were on rental properties with several units. That equates to a lot of hardworking people, people with children and families, who suddenly find themselves without a home.”

In Chicago, 32% of 2008 residential foreclosure filings were on 2-6 unit properties (6,571 filings), marking a 36% increase from 2007.

“Renters are the hidden victims of the foreclosure crisis,” said Sam Tuttle of the Sargent Shriver National Center on Poverty Law. “While there has been a lot of attention paid to homeowners in this crisis, renting families are also at risk of losing their homes when a property where they live is in foreclosure.”

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