



**ILLINOIS  
REALTORS®**

May 20, 2020

Cook County Commissioners  
County Building  
118 North Clark Street  
Chicago, IL 60602

Dear Cook County Commissioners,

On behalf of the Illinois REALTORS® (IR) we recognize the importance of your leadership during times of crisis, namely the COVID-19 pandemic. While the pandemic has forced a shutdown of our lives, we remain deeply concerned about the long-term impact of this crisis in Cook County.

We acknowledge the need for the proposed extension of property tax payments for the 2<sup>nd</sup> installment (file number 20-2479). This delay may allow some owners temporary relief in their cash flows for August and September. However, the tax payment will be due this year. Having just acknowledged the property tax delay, let us turn our attention to the fact that property taxes are one of the many expenses' property owners face. Therefore, we do have concerns over the long-term impact to property owners and their ability to pay all the necessary fees and expenses related to owning and maintaining property of all classifications (commercial, residential, industrial, retail, office, etc.).

In fact, you may have seen the recent article from Crain's on May 8, 2020 titled, *Chicago more vulnerable to new foreclosures than other big cities*. Our region has more than 189,000 property owners "seriously underwater." The above number represents more than the combined seriously underwater mortgages in the nation's two largest cities, New York and Los Angeles. In other words, local property owners and property values have not recovered from previous economic downturns and we are more susceptible to foreclosures as owners may feel their real estate investments are no longer sustainable or viable to holding.

We encourage you to utilize the resources available in the attached document, *Protect Your Investment: A Guide for At Risk Homeowners*. These resources are prepared for residential homeowners and may be useful in communications with your constituents.

As a reminder, our members and staff are available as a resource in your communities particularly for any real estate related matter. We thank you for your attention to this important issue. If you have any questions, do not hesitate to reach out to me directly at 312-515-3639 or Mike Scobey at 773-405-1906.

Sincerely,

Adriann Murawski  
Local Government Affairs Director  
Illinois REALTORS®/Chicago Association of REALTORS®

CC: Honorable Alma Anaya  
Honorable Bill Lowry  
Honorable Brandon Johnson  
Honorable Bridget Degnen  
Honorable Bridget Gainer  
Honorable Deborah Sims  
Honorable Dennis Deer  
Honorable Donna Miller  
Honorable Frank Aguilar  
Honorable John Daley  
Honorable Kevin Morrison  
Honorable Larry Suffredin  
Honorable Luis Arroyo, Jr.  
Honorable Peter Silvestri  
Honorable Scott Britton  
Honorable Sean Morrison  
Honorable Stanley Moore  
John Roberson, Office of the President

# PROTECT YOUR INVESTMENT

A Guide For At Risk Homeowners



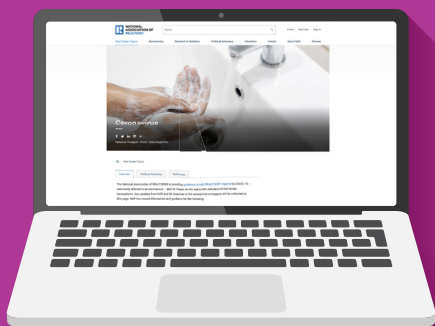
## PROTECT YOUR INVESTMENT

The impact of COVID-19 was swift and unexpected, leaving many people in a financial emergency. If you are a homeowner who is struggling or unable to meet your loan obligations, work with housing experts and your lender to find a solution, now.

**Don't wait until you fall behind to seek help. Acting quickly may help you keep your home and the money you have already invested into it.**

### RESOURCES FOR PROPERTY OWNERS

The National Association of REALTORS® has up-to-date information for property owners about the federal government's response to COVID-19. Visit the Coronavirus Resources for Property Owners section of [www.nar.realtor/coronavirus](http://www.nar.realtor/coronavirus) for details about how federal agencies, lenders, and bank regulators are working to help to homeowners protect their investment.



### TALK TO YOUR LENDER

Talking to the lender or “loan servicer” that collects the payments should be one of your first steps. Here are some options to discuss:

**Forbearance.** Lenders may let you make a partial payment or skip payments. You'll have to repay any missed or reduced payments in the future. Forbearance does not erase what you owe.

**Reinstatement.** Reinstatement refers to making a payment that covers all your late payments, usually at the end of a forbearance period.

**Repayment Plan.** If you can't afford reinstatement, but can start making payments to catch up, the lender may let you pay an additional amount each month until you are caught up.

**Loan Modification.** Your lender may agree to amend your mortgage.

The options include:

- » Adding all the missed payments to the loan amount & increasing the monthly payment to cover the larger loan.
- » Giving you more years to pay off the loan, lowering the interest rate, and/or forgiving part of the loan, to lower your monthly payment.
- » Switching from an adjustable rate mortgage to a fixed rate mortgage, so you aren't exposed to increases in your monthly payment.
- » Requiring amounts for taxes and insurance to be included with your monthly mortgage payment so you avoid big bills in addition to your mortgage.



## WATCH OUT FOR SCAMS AND UNFAVORABLE LOAN TERMS

*Here are some warning signs:*

**Sounds too easy.** “Guaranteed approval” or “no income verification” regardless of borrower’s current employment, credit history, and assets.

**Large future costs.** High-risk adjustable rate mortgages where the payment rises a lot after the “teaser rate” period is seldom appropriate for families who already have had problems repaying other loans.

**Barriers to refinancing.** Prepayment penalties that make it hard for a borrower to refinance in order to pay off a high-cost loan by taking advantage of a low-cost loan.

**No down payment loans.** These loans may be split into two mortgages, with one having a much higher cost. Home buyers should be sure they can afford the payments.

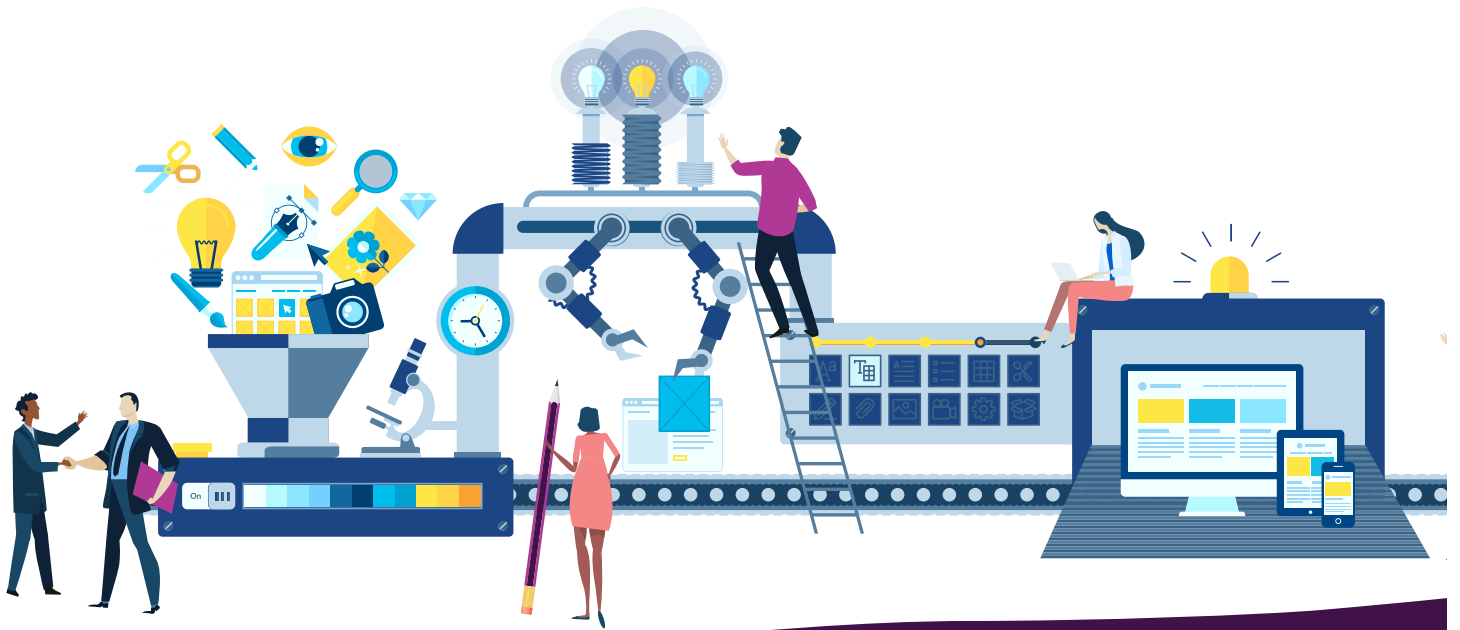
**Unethical document management.** Ethical lenders and brokers never ask you to sign a blank document or a document dated before the date you sign.

### REALTORS® CAN HELP

REALTORS® are in the business of helping people become homeowners and want to do everything they can to make sure you can afford to stay in your home.

- » If your current lender isn’t willing or able to help, you may be able to refinance your current mortgage with another lender. REALTORS® may be able to help you find responsible lenders that make fair and affordable loans.
- » Be wary of advertisements like “Cash for Houses/Any Situation” or “We Buy Houses for Cash.” These may be scams that bait homeowners with the promise of rescuing them from imminent foreclosure. Talk with a REALTOR® if you determine that selling your home is your best option.





## COUNSELING RESOURCES

Counseling agencies are in the business of helping borrowers like you. They are non-profit organizations dedicated to helping consumers avoid foreclosure and can be invaluable.

- » The U.S. Department of Housing and Urban Development (HUD) website has a list of HUD-approved counseling organizations, by state ([www.hud.gov/counseling](http://www.hud.gov/counseling)). Use the list as a starting point to find a counselor or call HUD at (800) 569-4287.
- » Watch out for questionable companies who advertise that, for a minimal fee, they will assist homeowners by hiring a lawyer to defend the foreclosure in court or negotiate lender assistance on the borrowers' behalf. You should contact a HUD-approved counseling organization before you pay or sign anything.

Source: Are You Having Problems Paying Your Mortgage? National Association of REALTORS®, NeighborWorks® America, Center for Responsible Lending