

WHAT TO DO IF YOUR PROPERTY GOES INTO **FORECLOSURE**



**FAIR HOUSING
LEGAL SUPPORT
CENTER & CLINIC
UIC JOHN MARSHALL
LAW SCHOOL**



IMPORTANT INFORMATION FOR DEFENDANTS IN A RESIDENTIAL FORECLOSURE

(This information does not apply to commercial foreclosure. If you have received a foreclosure summons for a commercial property, you should consult an attorney for advice.)

If you get a letter from your mortgage company because you are behind in your payments, don't throw it away—read it! Do not be ashamed if you receive such a letter; you are not alone. Many people get sick, get laid off, or have too many bills. The letter will state you may be eligible for a grace period. Talk to a housing counselor. Visit www.HUD.gov to find a HUD-certified counselor who will help for FREE. Call the mortgage company and talk to them. For those who do not understand English, there are offices with staff who speak Spanish and perhaps other languages who can help you; call the numbers listed in this brochure.

If you get a summons and complaint from the court, do not hide it or throw it away. The person who delivers the summons is only a messenger, not the judge. **You are not required to move from your home at this time.** The law in Illinois states that you cannot be evicted from your home for at least seven to ten months after you receive the summons. During that time you cannot be evicted. Go to your court dates. If you live in Cook County or another county with a mediation program and you want to modify the loan, request to participate in the mediation program. You only have to move when a judge enters an order of possession that requires a move-out date. Only a judge can enter the order and only the sheriff can legally come to your home to evict you.

If foreclosure proceedings are filed against you, you will receive many telephone calls and letters from people who say they will help you. Many of these people want to buy your house and may try to cheat you. They are not going to help you. Do not sign anything without speaking to a lawyer or someone you trust.

1. If you only speak a language other than English, the law says that before you sign a mortgage or any papers, you are entitled to deal with a person who speaks your language.
2. Never sign any paper you do not understand.
3. If you go to court and cannot speak English, the court will provide an interpreter.
4. There are ways to avoid the foreclosure proceedings:
 - a. You may refinance or modify the loan.
 - b. You may pay off the mortgage through refinancing or selling your home.
 - c. You may be eligible to file for bankruptcy protection. See a lawyer to discuss your options.

You Have Rights During the Foreclosure

POSSESSION The lawful occupants may be able to live in the house until a judge orders an order of eviction. A tenant can stay 120 days or until the lease ends; keep your lease and receipts for rent payments.

OWNERSHIP You may have the right to sell the house or refinance the mortgage during the redemption period.

REINSTATEMENT You may have the right to bring the mortgage current within 90 days from when you receive the summons.

REDEMPTION You may have the right to pay off the loan during the redemption period.

SURPLUS You have the right to petition for any excess money that results from a foreclosure sale of the house.

WAYS TO AVOID FORECLOSURE ON YOUR PROPERTY

Explore all your options. Talk to a HUD-certified housing counselor to see if you qualify for a modification by visiting www.HUD.gov. Their advice is free.

Get advice from a professional. The information in this pamphlet is not comprehensive and does not replace the advice of a professional. You may have other options. Get professional advice from a lawyer or a certified housing counselor about your rights and options to avoid foreclosure. Try them before seeking alternative lending options.

1. Whether you are buying or refinancing your home, you should always have a lawyer at the closing to go over the mortgage papers with you. Lenders sometimes add unnecessary charges and costs.
2. If you believe you have been treated badly or cheated by a home improvement contractor or lender, you have legal rights. You can file a complaint with the Illinois Attorney General and the Chicago Consumer Commission.

Proceed with caution. People offering you help with foreclosure may contact you. Follow these precautions:

1. Get legal advice before entering into any deal involving your home.
2. Get legal advice before you pay any money to anyone who offers to help you avoid foreclosure. Find a HUD-certified housing counselor at www.HUD.gov.
3. Be careful before dealing with a private company that offers to modify your loan. HUD-certified counselors may provide the same service for you at no cost.
4. You will usually get a better rate for a mortgage from a bank or credit union. Try them before seeking alternative lending options.
5. Do not sign any papers you do not understand.

Lawyer Referral Services

If you do not have a lawyer and are able to afford one, call one of the following lawyer referral services and ask them to recommend a lawyer for you.

Chicago Bar Association Lawyer Referral Service 312.554.2001

Cook County Bar Association Lawyer Referral Service
312.630.1157

Illinois State Bar Association
877.858.6775

The following agencies may offer free legal help.

Chicago Legal Clinic
312.731.1762

Chicago Volunteer Legal Services 312.332.1624

UIC John Marshall Law School Fair Housing Legal Support Center & Clinic 312.987.2397

Legal Assistance Foundation of Chicago 312.341.1070

Prairie State Legal Services
(for Suburbs) 800.690.2130

UIC JOHN MARSHALL LAW SCHOOL FAIR HOUSING LEGAL SUPPORT CENTER & CLINIC

UIC John Marshall Law School Fair Housing Legal Support Center was established in 1992. The Center educates and trains the public on fair housing law and provides legal assistance to those private and public organizations and persons seeking to eliminate discriminatory housing practices.

The Clinic is devoted exclusively to fair housing training and enforcement. Its unique nature allows it to assist persons in receiving and retaining the housing of their choice, thereby building and strengthening neighborhoods and communities.

UIC John Marshall Law School
Fair Housing Legal Support Center & Clinic
300 S. State Street
Chicago, Illinois 60604

Phone: 312.987.2397 | Fax: 312.427.9438

Email: fairhousingcenter@jmls.edu

www.jmls.edu/fairhousing



The work that provided the basis for this publication was supported by funding under a Cooperative Agreement with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Government.

**FAIR HOUSING
LEGAL SUPPORT
CENTER & CLINIC
UIC JOHN MARSHALL
LAW SCHOOL**

