



House Amendment 1 – House Bill 5574 (Ramirez-Guzzardi) OPPOSE

Illinois REALTORS® is **OPPOSED** to **House Amendment #1 to H.B. 5574 (Ramirez-Guzzardi)**, which creates the “COVID-19 Economic Recovery Renter and Homeowner Protection Act.” The amendment purports to address housing issues related to the COVID-19 crisis, but in reality, does nothing to help property owners, tenants, or lenders who are struggling. The amendment makes drastic, harmful changes to real estate and civil law both during and after the end of the COVID-19 period. These changes would be devastating to the housing market, for both owners and tenants.

REALTORS® across Illinois have always been leaders in their communities. In fact, REALTOR® rental property owners throughout Illinois have been working with their tenants to get through this crisis and REALTORS® continue to work with and advise homeowners, buyers and sellers in both the residential and commercial market to navigate the challenges posed by the pandemic.

Unfortunately, there are those that would exploit this crisis to impose a regulatory cluster of restrictions, prohibitions and anti-tenant/anti-owner policies on the housing market. The “Renter and Homeowner Protection Act” would destroy the rental housing market and create financial chaos for banks and even homeowners throughout the state. The legislation’s name misrepresents its intentions. Renters, homeowners, landlords, and lenders would be irreversibly damaged by the bill’s provisions. Instead of protecting renters, the bill proposes state interference with private contracts, the forgiveness of private debt and state regulatory takings with no supporting constitutional authority. Landlords would be left with no rights to control their properties and homeowners and mortgage lenders would have their mortgage contracts involuntarily altered.

The new Act **cancels** all rental and mortgage debt payments for tenants and those with residential mortgages for 6 months or more. Nearly every tenant or individual with a mortgage would qualify for this debt cancellation. While the Act includes reimbursement provisions for landlords and lenders, the provisions are drafted so narrowly that most would not qualify. New evictions and foreclosures would be banned for 6 months and pending cases would be stayed, forcing owners and lenders to suffer incredible losses, even potentially losing their properties altogether. Banks would be required to let any borrower stop paying their mortgage for 6 months threatening the financial stability of lenders across the state. These economically short-sighted proposals are paired in the Act with other anti-tenant policies like rent control and mandatory lease renewals. In short, the Act is a collection of recycled fringe ideas that have failed elsewhere and will intensify the negative effects this crisis is having on the state’s economy, its residents and property owners.

Illinois REALTORS® **SUPPORTS** the enactment of legislation that would focus on helping tenants, homeowners, landlords and lenders by providing direct monetary assistance for the purpose of rent or mortgage payments for those who are unable to pay their rent or mortgage because of the crisis. Any program along these lines should be narrowly focused on tenants or mortgagors where a COVID-19 related hardship renders them unable to pay their rent or mortgage.

Illinois REALTORS® urges the legislature and Governor to enact balanced relief legislation that is effective, efficient, and limited to issues directly caused by COVID-19.

Please feel free to contact Greg St. Aubin (217-652-2300) or Julie Sullivan (217-652-3180) if you have any questions or would like to discuss this issue.