



Office of the City Clerk

City Hall
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Legislation Text

File #: R2020-283, **Version:** 1

Committee on Housing & Real Estate April 22, 2020 City
Council Meeting

RESOLUTION

WHEREAS, As the City of Chicago confronts the unprecedented public health crisis of the novel coronavirus (COVID-19) pandemic, our residents and businesses are confronting devastating illness, financial hardship, and sharply reduced time spent in public; and

WHEREAS, Governor J.B. Pritzker and Mayor Lori Lightfoot have taken difficult but necessary steps to combat the spread of COVID-19 and "flatten the curve," including issuing stay at home orders, requiring "non-essential" businesses to close to the public, prohibiting dine-in service at bars and restaurants, and closing schools, parks, the Lakefront Trail, and other public facilities; and

WHEREAS, To ensure the effectiveness of the stay at home order, it is important that people leave their residences only for essential needs and for truly necessary and essential work; and

WHEREAS, Thousands of Chicagoans have seen their income reduced or eliminated entirely as a result of COVID-19, particularly individuals who work in the retail, food-service, and hospitality industries; and

WHEREAS, Lost income due to COVID-19 has left numerous Chicagoans unable to pay their mortgages on time and in full; and

WHEREAS, Borrowers with federally backed mortgages who have lost income due to COVID-19 generally are able to receive mortgage forbearance of up to 12 months. The federally backed mortgages associated with Fannie Mae, Freddie Mac, and other federal governmental entities compose approximately half of all home loans in the United States; and

WHEREAS, On March 25, 2020, California Governor Gavin Newsom announced that four national banks-Citigroup, JPMorgan Chase, US Bank, and Wells Fargo-and approximately 200 state-chartered banks, credit unions, and servicers agreed to offer mortgage forbearance of up to 90 days to borrowers economically impacted by COVID-19. Governor Newsom also announced that these financial institutions agreed to waive or refund any mortgage-related late fees, and to not report late payments to credit-reporting agencies for borrowers taking advantage of COVID-19-related relief; and

WHEREAS, On March 28, 2020, New Jersey Governor Phil Murphy announced that five national banks-Bank of America, Citigroup, JPMorgan Chase, US Bank, and Wells Fargo-and over 40 other federal and state-chartered banks, credit unions, and servicers agreed to provide residents impacted by COVID-19 with up to 90 days of mortgage forbearance, a commitment not to report late payments to credit-reporting agencies, and relief from mortgage-related late fees; now, therefore,

BE IT RESOLVED, That the City Council of the City of Chicago calls upon Governor Pritzker to help secure a public, contemporaneous commitment from all significant non-federal lenders and servicers of residential mortgages in the City of Chicago to:

1. Offer at least 90 days of mortgage forbearance to all borrowers that have lost income due to COVID-19, and wherever possible offer payment plans that avoid a single "balloon" payment due at the end of the forbearance term;
2. Waive or refund mortgage-related late fees for at least 90 days; and
3. Forgo reporting the occurrence of late payments to credit-reporting agencies for borrowers that have been negatively impacted by COVID-19.

Matthew J. Martin Alderman, 47th Ward

Daniel La Spata Alderman Ward 1
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George Cardenas

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