



CRLTO FOR DUMMIES

The Chicago Landlord's Plain-English Guide to the
Residential Landlord and Tenant Ordinance

*For informational purposes only. Not legal advice.
Consult a licensed Illinois attorney.*

By Catalin Maticiuc | Crosstown Chicago | crosstownchicago.com

About This Guide

■ Important Disclaimer

This guide is for informational purposes only. It is NOT legal advice.

Always consult a licensed Illinois real estate attorney before making decisions.

Laws change. Catalin Maticiuc is a licensed Illinois real estate broker, not an attorney.

If you own a rental unit in Chicago, the CRLTO affects every single aspect of your landlord relationship — from the moment you hand over the keys to the day the tenant moves out.

Most landlords who get burned by the CRLTO aren't bad people. They just didn't know the rules. This guide changes that.

Written for landlords with 1 to 10 units who want plain-English answers, practical guidance, and zero legal jargon.

— *Catalin Maticiuc, Crosstown Chicago*

What's Inside

What Is the CRLTO?: Who it applies to, why it matters, and the penalties

Security Deposits: The #1 area where landlords get sued — and how to avoid it

The Lease: Required disclosures, renewal rules, the CRLTO summary

Landlord's Duties: Heat, repairs, pest control, and notice requirements

Tenant's Repair Rights: What happens when you don't fix things on time

Rent & Rent Increases: What you can charge, when, and how to give notice

Entry Into the Unit: The 48-hour rule and why it matters

Eviction: What NOT to do — and the legal process when you must

Move-Out: Inspections, deposits, normal wear and tear

Penalties Quick Reference: All the ways violations can cost you money

Section 1: What Is the CRLTO? (And Why Should You Care?)

The Chicago Residential Landlord and Tenant Ordinance — the CRLTO — is the law that governs every rental relationship in Chicago. It tells landlords what they must do, what they can't do, and exactly what happens when they get it wrong.

It's one of the most tenant-friendly laws in the entire country. If you own a rental unit in Chicago, you must follow it. "I didn't know about it" is not a defense — not in front of a judge.

■ The Penalty Reality Check

Violate the CRLTO and a tenant can sue you for 2x the monthly rent PLUS their attorney fees.

On a \$2,000/month unit, that's \$4,000+ out of your pocket — plus their lawyer.

This is not theoretical. Chicago tenant attorneys actively look for landlord violations.

The CRLTO is written so that tenant attorneys get paid when they win. They are motivated.

Does the CRLTO Apply to You?

The CRLTO applies to ALL Chicago residential rentals — with one key exception.

■ The Owner-Occupied Exemption

The CRLTO does NOT apply if: you own a building with 6 or fewer units AND you personally live in one of them.

Example 1: You own a 2-flat and live in one unit. You are EXEMPT.

Example 2: You own a 2-flat and don't live there. You ARE covered.

Example 3: You own a 7-unit building and live there. You ARE covered — it's 7 units, not 6 or fewer.

Example 4: You own a 6-flat and live there. You are EXEMPT.

If you move out of your owner-occupied building, you immediately fall under the CRLTO.

■ What this means for you:

If you're exempt, the CRLTO doesn't apply — but you're still subject to Illinois landlord-tenant law and Chicago building codes. The exemption only removes the CRLTO layer. When in doubt, consult an attorney.

Section 2: Security Deposits — The #1 Area Where Landlords Get Burned

Let's start here because this is where most Chicago landlords get into trouble. The security deposit rules under the CRLTO are strict, technical, and unforgiving.

The Big Secret: You Don't Have to Take One

You are NOT required to collect a security deposit. Many Chicago landlords have stopped taking them entirely — specifically to avoid these rules.

■ What this means for you:

If you skip the security deposit entirely, you skip ALL of the rules below. Many landlords now take a non-refundable move-in fee instead. Keep reading.

If You DO Take a Security Deposit: The Rules

Rule 1: Separate Account — You must deposit it in a federally insured, interest-bearing bank account. It must be SEPARATE from your personal or business funds. Commingling (mixing) funds is a violation — even temporarily.

Rule 2: Written Receipt Within 14 Days — Within 14 days of receiving the deposit, give the tenant a written receipt. It must include the name and address of the bank AND the specific account number. Not just the bank name — the account number.

Rule 3: Pay Annual Interest — You must pay the tenant interest on the deposit every year. The Illinois Secretary of State sets the rate (often below 1%). Pay within 30 days after each 12-month period, or apply it as a rent credit.

Rule 4: Return It on Time — If you do NOT do a move-out inspection: return within 30 days of move-out. If you DO do a move-out inspection: you have 45 days.

Rule 5: Itemize Any Deductions — If you keep any portion of the deposit, provide an itemized written list of deductions with receipts or invoices, within the same 30- or 45-day deadline.

■ Miss Any One of These = Lawsuit

Miss the 14-day receipt deadline? Tenant can sue for 2x the deposit.

Wrong account type (not interest-bearing)? Tenant can sue for 2x the deposit.

Return it on day 31 instead of day 30? Tenant can sue for 2x the deposit.

Every single requirement is a potential 2x penalty if violated.

The Smart Alternative: Non-Refundable Move-In Fee

A non-refundable move-in fee is a one-time charge (typically \$500–\$1,500) paid at move-in. It is NOT a security deposit. It does not go in a separate account. It does not earn interest. You don't have to return it.

A security deposit is held in trust and must be returned minus deductions. A move-in fee is a fee — it's yours once collected, like a cleaning fee.

■ Practical Strategy for Chicago Landlords

Many Chicago landlords now charge a non-refundable move-in fee of \$500–\$1,000.

This provides some cushion for move-out costs without triggering CRLTO deposit rules.

Have an Illinois real estate attorney review your lease language before using this approach.

The fee must be clearly labeled as non-refundable and NOT as a security deposit.

Section 3: The Lease

Must It Be in Writing?

For leases of 12 months or longer — yes, it must be in writing. Month-to-month arrangements can be verbal, but written is always better. In a dispute, verbal agreements are your word against theirs.

Required Disclosures

Every Chicago lease must include certain disclosures. Missing these can expose you to liability independent of the CRLTO.

- **Building code violations:** Disclose any open city code violations on the property
- **Lead paint disclosure:** Required for any building built before 1978 (federal law)
- **Bed bug disclosure:** Must disclose any known bed bug history in the unit or building within the past year
- **Radon disclosure:** Required for ground-floor or basement units

Lease Renewals and Non-Renewal Notices

If you want to end the tenancy at lease expiration, you must give proper advance notice. Miss these deadlines and the tenancy may automatically continue.

Situation	Notice Required	What Happens If You Miss It
Non-renewal of month-to-month	30 days written notice	Tenancy continues
Non-renewal of fixed-term lease	Notice = lease term (max 120 days)	Tenancy may auto-renew
Entry for repairs/inspection	48 hours (2 days)	Tenant can terminate lease
Rent increase (month-to-month)	30 days written notice	Increase is unenforceable
Eviction — non-payment	5-day notice	You cannot file in court without it
Eviction — lease violation	10-day notice to cure or vacate	You cannot file in court without it
Eviction — no cause (month-to-month)	30-day notice	You cannot file in court without it

Automatic Renewal Clauses

Chicago does NOT enforce automatic renewal clauses that extend a lease for more than 2 months. A clause saying "this lease automatically renews for 12 months if not terminated" is unenforceable. The maximum enforceable auto-renewal in Chicago is 2 months.

■ **The CRLTO Summary — The Most Commonly Missed Requirement**

With EVERY lease you sign, you MUST attach the official CRLTO Summary document.

This is a free PDF from the City of Chicago (chicago.gov — search "CRLTO summary").

If you don't provide it: the tenant can terminate the lease at ANY time with just 2 weeks' notice.

That means in the middle of winter, 6 months into a lease, with 14 days' notice — gone.

Print it. Attach it. Have the tenant sign and date an acknowledgment of receipt.

Section 4: Landlord's Duties: What You MUST Do

You are legally responsible for keeping your rental property in a habitable condition. These are not suggestions — they are requirements. Failing them gives tenants legal remedies that can cost you money.

Building Code Compliance

Your unit must comply with the Chicago Building Code at all times. Functional windows, working doors, proper electrical, adequate plumbing, safe structure. If the city cites your building, fix it fast.

Heat — This One Is Very Specific

68°F	65°F	72 hrs	14 days
Daytime minimum Oct 1 – May 31	Nighttime minimum Oct 1 – May 31	Max time to fix essential services	Max time to fix other repairs

Essential Services

- Hot and cold running water
- Working plumbing (sinks, toilets, showers)
- Electrical systems
- Windows and exterior doors (weathertight)
- Working locks and security devices

Pest Control

If a pest problem affects more than one unit, it's your responsibility to exterminate. Don't argue over who caused it — call an exterminator, document it, and handle it.

Common Areas

Hallways, stairways, entrances, and shared spaces must be kept clean and safe. This is your job.

■ 48-Hour Entry Notice Rule

You **MUST** give at least 48 hours' notice before entering for repairs, inspections, or showings.

Emergency (fire, flooding, gas): no notice required.

Practical habit: always text or email before entering. Keep the messages.

Repeated entry without notice = tenant can terminate the lease.

Section 5: Tenant's Rights When Repairs Aren't Made

This is where landlords get into serious trouble. If you don't fix things on time, tenants have legal remedies they can use without your permission.

Essential Services (Heat, Water, Plumbing)

If you don't fix an essential service within 24 hours of written notice, the tenant can:

- **Withhold rent** — place it in an escrow account until you fix the problem
- **Repair and deduct** — hire someone to fix it and deduct the cost from rent (up to one month's rent)

■ A Tenant Withholding Rent Legally Is NOT in Default

If a tenant follows the proper process — written notice first, then withholding — you cannot evict them for it.

If you try to evict them for legally withheld rent, YOU may be liable for retaliatory eviction.

Fix essential services the moment they break. No delays. No excuses.

Non-Essential Repairs

If you don't fix non-essential issues within 14 days of written notice, the tenant can terminate the lease with 14 days' written notice — or sue you for damages.

■ What this means for you:

Respond to EVERY repair request in writing. Acknowledge it. Tell them when it will be fixed. Fix it.

Document it. Silence is not a strategy — it's a liability.

Section 6: Rent and Rent Increases

■ No Rent Control in Chicago

As of this writing, Chicago does NOT have rent control.

You can raise rent to whatever the market will bear.

There is no legal cap on how much you can increase rent between lease terms.

Notice Requirements for Rent Increases

- **Month-to-month:** 30 days' written notice before the increase takes effect

- **Fixed-term lease:** You cannot raise rent during the lease term unless the lease specifically allows it
- **At renewal:** Written notice equal to lease term (up to 120 days)

Rent Withholding — What the Tenant Must Do First

A tenant cannot legally withhold rent unless they have FIRST given you written notice of the repair issue AND you failed to fix it within the required timeframe.

■ **Protect Yourself: Keep All Written Communication**

If a tenant suddenly stops paying and claims it's because of repairs, ask for their written notice.

If they never sent one, they are in default — and you can proceed with the eviction process.

Paper trail wins cases. No written notice from them = no legal basis for withholding.

Section 7: Eviction — The Basics and What NOT to Do

Eviction in Chicago is a slow, expensive, formal legal process. Knowing what NOT to do is just as important as knowing the right steps.

■ Self-Help Eviction Is ILLEGAL in Illinois

You CANNOT: change the locks on your tenant.

You CANNOT: shut off their heat, water, or electricity.

You CANNOT: remove their belongings from the unit.

You CANNOT: harass, threaten, or physically block their access.

This is called "self-help eviction." It is a crime in Illinois — no matter how bad the tenant is.

Penalty: Tenant can sue for actual damages PLUS 2 months' rent.

The Legal Eviction Process — Step by Step

Step 1: Give Written Notice — Non-payment of rent: 5-day notice to pay or vacate. Lease violation: 10-day notice to cure or vacate. No-cause termination (month-to-month): 30-day notice.

Step 2: File in Court — After the notice period expires and the tenant hasn't complied, file an eviction complaint at the Cook County courthouse. Have an attorney handle this — mistakes here delay the case.

Step 3: Attend the Hearing — A judge reviews your case. If you win, you receive a judgment for possession. If the tenant contests it, expect multiple court dates.

Step 4: Sheriff Removes the Tenant — A Cook County Sheriff's deputy physically removes the tenant. You do NOT do this yourself. You do NOT enter the unit early. Wait for the official execution of the judgment.

How Long Does It Take?

Type	Timeline	Cost
Uncontested (tenant doesn't show)	2–4 months minimum	\$1,000–\$2,000+
Contested (tenant fights it)	6–12 months or longer	\$3,000–\$8,000+

■ **What this means for you:**

This is why tenant screening is everything. In Chicago, once a bad tenant is in, it's extremely hard and expensive to get them out. The best eviction is the one you never have to file.

Section 8: Move-Out: The Right Way to End a Tenancy

Start at Move-In: The Move-In Inspection

When a tenant moves in, walk through the unit together and document every existing condition — scratches, scuffs, stains, broken fixtures, everything. Take photos and video. Both parties sign the inspection form.

■ What this means for you:

Without a signed move-in inspection, you have almost no legal basis to keep any security deposit. This is step one of every tenancy. Do not skip it.

Move-Out Inspection

Within 5 days of the tenant moving out, conduct a move-out inspection. Compare conditions to the move-in inspection form. Document everything with photos.

Normal Wear and Tear vs. Damage

■ Normal Wear & Tear (NOT chargeable)	■ Damage (IS chargeable)
Small nail holes from pictures	Large holes punched in walls
Light carpet wear from walking	Carpet stains, burns, or pet damage
Faded paint from sunlight	Unauthorized paint colors
Minor scuffs on walls	Broken fixtures or hardware

■ Return the Deposit Right

Without move-out inspection: return deposit + interest within 30 days of move-out.

With move-out inspection: return within 45 days.

Include itemized deductions with receipts if keeping any portion.

Miss the deadline even by one day = tenant can sue for 2x the deposit amount.

Quick Reference: Penalties for Common Violations

This is what the CRLTO costs landlords who don't follow the rules. Bookmark this page.

Violation	Penalty
Security deposit errors (wrong account, late return, missing receipt)	2x deposit amount + attorney fees
Not providing CRLTO summary	Tenant can terminate lease with 2 weeks' notice at any time
Failure to maintain essential services (heat, water, plumbing)	Rent withholding, repair-and-deduct, or lease termination
Self-help eviction (changing locks, shutting off utilities)	2 months rent + actual damages
Retaliatory eviction or rent increase	Presumed retaliatory if within 12 months of tenant complaint; heavy penalties
Entering unit without 48 hours notice	Tenant can terminate lease
Failure to pay security deposit interest	2x deposit amount + attorney fees

Your CRLTO Compliance Checklist

- Attach the CRLTO Summary document to EVERY lease
- Handle security deposits by all the rules — or skip them entirely
- Keep security deposits in a separate, interest-bearing account
- Respond to ALL repair requests in writing, immediately
- Fix essential services (heat, water) within 72 hours of notice
- Give 48 hours' notice before every non-emergency entry
- Document move-in AND move-out conditions with photos and signatures
- Return deposits within 30 days (45 if you do a move-out inspection)
- Give proper notice for non-renewals (up to 120 days)
- NEVER change locks, shut off utilities, or harass a tenant out

■ Get your lease reviewed by a Chicago real estate attorney

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Questions About Managing Your Chicago Rental? Let's Talk.

Book a Free Consultation with Catalin

+1 (773) 830-2917

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Catalin Maticiuc | Crosstown Chicago | catalin@crosstownrealtors.com