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Facing a Housing Discrimination Complaint in Illinois? What Housing Providers Need to Know About the IDHR Process

A housing discrimination complaint filed with the Illinois Department of Human Rights (IDHR) is not a minor administrative matter. It triggers a formal investigation, creates a public record if a charge is issued, and can result in financial exposure ranging from compensatory damages to civil penalties. It can also require mandatory policy changes, fair housing training, and ongoing agency oversight. Recent enforcement actions at both the state and federal levels make clear that housing providers who fail to take these proceedings seriously face consequences that are difficult to reverse. Notably, IDHR does not wait for a private complainant: the agency has statutory authority to file charges on its own initiative and has exercised that authority in high-profile circumstances. The housing providers who fare best in these proceedings share a common trait: they engaged counsel before the charge arrived, not after. Compliance gaps that take an afternoon to address during a policy review can take years and extensive expenses to defend once a charge is filed.

This blog explains the IDHR complaint process, describes the remedies and penalties housing providers face, highlights recent enforcement activity that reflects the current environment in Illinois, and identifies the compliance issues most likely to generate exposure for providers operating in today's regulatory landscape.

The Illinois Legal Framework

The Illinois Human Rights Act (IHRA)[1] is administered by IDHR and provides housing discrimination protections that are broader in several respects than federal law. Illinois prohibits housing discrimination on the basis of race, color, religion, sex,

national origin, ancestry, age (40 and over), order of protection status, marital status, sexual orientation (including gender identity), pregnancy, military status, unfavorable military discharge, disability, arrest record, and familial status. As of January 2023, source of income – including the use of housing choice vouchers – became a protected class under state law, aligning Illinois with Cook County and the City of Chicago. Then, effective January 2024, immigration status was added as a protected class in housing transactions.

The IHRA covers all aspects of residential real estate transactions: rental, sale, mortgage lending, insurance, advertising, and new construction. It applies to landlords, owners, property management companies, real estate agents, builders, appraisers, mortgage lenders, and other residential real estate market participants. Illinois law also prohibits retaliation against any person who exercises or assists another in exercising fair housing rights.

How a Complaint Reaches You: The IDHR Process

Step 1: *Filing.* A complainant must file a charge with IDHR within one year of the last alleged discriminatory act. If the complainant filed with the U.S. Department of Housing and Urban Development (HUD) instead, IDHR and HUD operate under a formal work-sharing agreement and charges are cross-filed, meaning a HUD complaint will typically be referred to IDHR for investigation. Once IDHR receives a perfected charge, it will serve a copy on the named respondent within 10 days, along with an initial information request.

Step 2: *The Respondent's Initial Response.* Upon receiving the charge, a respondent is required to respond to IDHR's questionnaire by the date indicated. IDHR may also require the respondent to file a formal written response, or the respondent may voluntarily elect to do so. Failure to respond when required can result in a default finding against the respondent. This is a significant risk that housing providers must not underestimate. Engaging experienced fair housing counsel at this stage is critical.

Step 3: *Investigation.* An IDHR investigator interviews the parties and witnesses and collects relevant documents, including leases, applications, correspondence, maintenance records, and occupancy data. Investigators frequently request

documents that housing providers may not anticipate, such as complete applicant logs or records relating to other tenants who received or were denied similar accommodations. The investigation is confidential under IDHR's rules and regulations[2], though IDHR may authorize disclosure in the public interest.

IDHR does not assess witness credibility. Where the evidence conflicts and credibility is at issue, IDHR will issue a finding of substantial evidence and refer the matter forward, rather than resolving the factual dispute internally. This means that a respondent who believes the complainant's account is factually incorrect will not necessarily prevail at the IDHR investigation stage.

Step 4: *Settlement or Finding.* At any stage, the investigator may facilitate a voluntary settlement between the parties. Settlements may include monetary damages, policy changes, fair housing training, posting of fair housing notices in common areas, and other relief.

If no settlement is reached, IDHR issues a written investigative report recommending either (a) a finding of substantial evidence or (b) dismissal for lack of substantial evidence. If substantial evidence is found, the complainant may elect to have IDHR file a complaint on their behalf before the IHRC (an administrative law judge proceeding), or to file a civil action in state circuit court. In circuit court proceedings, the Illinois Attorney General's Office represents IDHR.

Step 5: Adjudication Before the IHRC or Circuit Court. If the case proceeds to hearing, an IHRC administrative law judge (or a circuit court) will take testimony, receive evidence, and determine whether unlawful discrimination occurred. If discrimination is found, the respondent faces a range of remedies that can include compensatory damages, attorney's fees, civil penalties, and injunctive relief such as cease-and-desist orders, mandatory training, and policy revisions.

What Enforcement Looks Like: Recent Cases

Recent enforcement activity in Illinois and before federal agencies illustrates both the breadth of issues that generate charges and the consequences that follow. Source of income discrimination has become an actively enforced area since the 2023 IHRA amendment. In January 2025, Housing Rights Initiative filed 176 complaints against 165 defendants with IDHR, described as the largest housing discrimination

case in Illinois history, following an undercover investigation into systematic refusal to accept Housing Choice Vouchers across the Chicago market. These complaints remain pending before IDHR. On the settlement front, a fair housing organization secured a November 2024 settlement against a 200-unit Joliet complex for $30,000 in damages on source of income and disability claims, and a December 2025 settlement against a 224-unit Springfield complex that maintained a blanket no-voucher policy for $6,000 in damages and a compliance mandate. Both settlements arose from IDHR complaints.

In January 2026, IDHR filed a department-initiated charge, without any private complainant, against the owners and management of a 130-unit Chicago building, alleging that management tipped federal immigration agents about Venezuelan residents and then coordinated with them during a nighttime raid that forcibly removed tenants, destroyed belongings, and left the building uninhabitable, in violation of the IHRA's race, ancestry, national origin, and interference and coercion provisions. The charge remains under investigation.

Another noteworthy settlement is the April 2026 U.S. Department of Justice (DOJ) settlement in Georgia for $750,000. This represents the second largest individual fair housing settlement in DOJ history. It arose from a management company's 14-month refusal to transfer a mother and her terminally ill son to a ground-floor unit despite repeated requests and multiple available units. That case originated as a HUD complaint, the same pipeline that feeds IDHR investigations in Illinois.

Together these cases reflect an enforcement environment in which the protected class landscape is expanding, IDHR is willing to act on its own initiative, and the financial consequences of non-compliance, whether through adjudication or settlement, are substantial.

What Happens If IDHR Finds No Substantial Evidence?

A finding of no substantial evidence results in IDHR issuing a written dismissal of the charge. This outcome is not necessarily the end of the matter. Complainants have two avenues to challenge a dismissal, and housing providers who assume a dismissal closes the case may be caught off-guard.

Option 1: Request for Review Before the IHRC

A complainant may petition the IHRC to review IDHR's dismissal. The IHRC does not conduct a new investigation; it reviews the existing investigative record under a deferential standard – whether the dismissal was against the manifest weight of the evidence. If the IHRC finds the dismissal was not supported by the record, it can reverse the dismissal and order the case to proceed as if a substantial evidence finding had been made, at which point the complainant may elect the IHRC hearing or circuit court route.

This means that the respondent's documents, questionnaire responses, and formal response – all produced during the IDHR investigation – become part of a record that the IHRC can review. Housing providers must approach their investigative responses with the same care they would apply to litigation discovery, because that material does not disappear with a dismissal.

Option 2: Civil Action in Circuit Court

Independently of the IHRC review process, a complainant who receives a dismissal may also file a civil action in Illinois circuit court within the time period specified in the IHRA. The circuit court action is a de novo proceeding, as the court is not bound by IDHR's findings, and the complainant may assert the same or related claims. At this stage, the full range of discovery tools available in civil litigation applies, and the respondent's exposure to compensatory damages, punitive damages, and attorney's fees continues.

The practical implication for housing providers is that a dismissal at the IDHR level does not provide the certainty of resolution that a settlement or would. Particularly where the facts are contested or the complainant has independent legal counsel, a dismissed charge may re-emerge in another forum. Respondents who receive a dismissal should consult with counsel before treating the matter as fully resolved.

What Housing Providers Face: Remedies and Penalties

A finding of liability under the IHRA can result in the following:

- Compensatory damages: out-of-pocket losses, emotional distress, and consequential harms suffered by the complainant
- Punitive damages: available in egregious cases
- Attorney's fees: payable to the prevailing complainant
- Civil penalties: civil penalties ranging from $16,000 for a first violation to $42,500 for a second violation, and $70,000 for more than two violations
- Cease-and-desist orders: prohibiting future discriminatory conduct
- Affirmative relief: mandatory fair housing training, policy revisions, staff notifications, and posting of fair housing rights in common areas
- Ongoing reporting obligations: requiring the respondent to report accommodation requests or other specified activities to IDHR for a defined period

Settlements, which the parties can reach at any stage of an IDHR investigation, may also include these remedies.

What Housing Providers Should Do When a Complaint Is Filed

Receiving a charge of housing discrimination from IDHR requires prompt, organized, and legally informed action. The following steps are essential:

- **Engage experienced fair housing counsel** The time to involve a lawyer is before responding to IDHR's initial information request, not after. Counsel should understand not only Illinois fair housing law but the interplay between the IDHR and HUD processes: because charges are cross-filed between IDHR and HUD, a single complaint can trigger parallel federal and state tracks with different timelines, conciliation procedures, and strategic considerations.
- **Preserve all relevant records** and treat every production as litigation material. Implement a litigation hold covering all communications, applications, leases, maintenance records, accommodation requests, and policies related to the complaint period. Do not destroy, delete, or alter any documents. This matters beyond the investigation itself: everything the respondent produces during the IDHR investigation becomes part of a record that can be used in any subsequent IHRC hearing, circuit court action, or IHRC review proceeding. Respondents who produce documents without counsel reviewing them first may inadvertently disclose systemic policy problems that extend well beyond the single charge at

issue.

- **Do not contact the complainant** All communications should flow through IDHR's investigation or counsel.
- **Respond on time**. Failure to respond to IDHR's questionnaire or a required formal response can result in a default finding. Deadlines in administrative proceedings can be strictly enforced.
- **Evaluate the merits honestly**. IDHR investigators do not resolve credibility disputes; where the facts are contested, the case will proceed. An early, candid assessment of litigation risk is preferable to a default or adverse adjudication.
- **Prioritize informed settlement strategy**. The majority of IDHR housing complaints resolve through settlement. Early resolution, when negotiated from a position of knowledge, limits monetary exposure, avoids a public finding, and allows the housing provider to return to normal operations without ongoing compliance reporting obligations. But settlement strategy requires knowing when to settle and on what terms. An attorney who understands the realistic range of outcomes at each stage of the process and who brings negotiating skill alongside legal knowledge can structure resolutions that protect the client's business interests. Poorly negotiated settlements that impose broad injunctive relief or unrealistic policy mandates can create operational burdens that outlast the case by years.

The Strongest Defense Is a Compliant Operation

The single most effective way to manage IDHR exposure is not to litigate well, but it is to operate in a way that gives complainants and investigators nothing to work with. That requires fair housing compliance that is practical, business-informed, and built into the provider's day-to-day operations, not just posted on a wall.

Several compliance areas carry disproportionate risk under current Illinois law and are worth examining before a charge arrives:

- **Source of income screening policies**. The 2023 IHRA amendment prohibiting source of income discrimination is still relatively new, and many Illinois landlords remain unaware of its full operational implications. Income multiplier requirements, blanket no-voucher policies, and applicant screening criteria that effectively filter out Housing Choice Voucher holders can all generate IDHR

charges under current law. Equally important, the protections extend to existing tenants who subsequently obtain a voucher. A compliant policy needs to address both new applicants and current residents and must be calibrated to work within the provider's business model without creating unlawful disparate impact.

- **Reasonable accommodation and modification procedures**. Denying or delaying accommodation requests, even inadvertently, through slow response or unclear intake procedures, is one of the most common sources of disability discrimination charges. Housing providers should have written accommodation request policies, clear response timelines, and staff trained to recognize and escalate requests that are not labeled as such.
- **Immigration status**. Effective January 2024, immigration status became a protected class in Illinois housing transactions. Housing providers who ask about a prospective or current tenant's immigration status, or who treat tenants differently based on perceived status, face IDHR exposure under a provision that is less than two years old and not yet well understood in the industry.
- **Portfolio-level policy consistency**. A charge filed against one property often reveals that the same policy or practice is being applied across multiple properties. IDHR investigators look at how a respondent handles similarly situated individuals, and a single complaint can open the door to scrutiny of the provider's entire operation. Providers operating multiple properties should evaluate their screening criteria, accommodation procedures, and tenant communication practices on a portfolio-wide basis.

A fair housing compliance audit which includes reviewing screening criteria, accommodation policies, staff training, and tenant communication practices against current IHRA and Fair Housing Act requirements is one of the most cost-effective risk management tools available to housing providers in Illinois. The goal is not merely to check legal boxes but to build policies that work for the business and hold up under IDHR scrutiny.

Housing providers facing an IDHR charge, or seeking to get ahead of one, need counsel who can operate effectively at every stage of the process: from the initial IDHR information request through investigation, conciliation, IHRC proceedings, and judicial review, as well as in parallel federal fair housing enforcement matters and

civil litigation. The process is long, and the decisions made at the earliest stages have consequences at every stage that follows.

Legal knowledge of the IHRA is necessary but not sufficient. Housing providers should look for counsel who understands fair housing as a business operations question, not just a compliance checklist. A reasonable accommodation policy that a property manager cannot realistically implement is not a compliant policy but a potential liability that will surface under investigation. A screening criterion that lacks a documented, legitimate business justification is not a defensible policy, but it is a disparate impact claim waiting to be filed. Effective counsel helps clients build practices that work operationally and hold up under IDHR scrutiny, rather than policies that look good on paper but create exposure in practice.

Because the majority of IDHR housing complaints resolve through settlement, negotiation skill is often the most consequential capability a housing provider's attorney brings to the table. Housing providers should ensure their counsel can assess settlement value accurately, negotiate terms that preserve operational flexibility, and identify the difference between a settlement that resolves a complaint and one that creates new problems. Sweeping injunctive relief, broad policy mandates, and ongoing reporting obligations negotiated without careful attention to their operational implications can burden a housing operation for years after the case closes. The right settlement ends the matter; the wrong one extends it.

This blog was drafted by Yana Rusovski, an attorney on the Spencer Fane Real Estate Group and the Multi-Family and Affordable Housing Market Teams. For more information, visit spencerfane.com.

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1 775 ILCS 5/1 et seq.

2 Ill. Admin. Code § 926.210

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