



To: All Illinois WFG Policy Issuing Agents; All Illinois WFG Title Examiners and Officers
From: Underwriting Department
Date: March 20, 2025
Bulletin No.: IL 2025-02
Subject: Northwest Preservation Ordinance – Update

Overview of the Ordinance

On March 1, 2025, the Chicago Northwest Preservation Ordinance became effective. It has been codified in Title 5 of the Municipal Code of Chicago, Chapter 5-11-060, and is known as Tenant Opportunity to Purchase Block (606) District Pilot Program.

A link to the Northwest Side Preservation Ordinance is below:
[NW Preservation Ordinance](#)

A link to the Northwest Side Preservation Ordinance Amendment is below:
[NW Preservation Amendment](#)

Please also see prior Bulletin IL 2024-02 for more information on the ordinance:
[IL 2024-02 Delayed Enforcement of City of Chicago Northwest Side Preservation Ordinance.pdf](#)

The Right of First Refusal and Coverage Implications

The right of first refusal will apply to all transactions within the affected area where the sales contract is signed on or after March 1, 2025. The exception outlined below should be noted on all title commitments in the impacted area.

The created right of first refusal does not go away and survives any current transaction after it becomes effective. Additionally, the ordinance provides a private right of enforcement, allowing parties to take legal action to uphold their right of first refusal. This could potentially lead to a complete failure of title for our insured. Any coverage provided for a specific transaction will be limited to that transaction alone. Even if the property is currently an owner-occupied single-family residence, the exception must still be noted.

The exception set forth below will remain on all policies issued in the area affected including loan policies. The only coverage we can give is by ALTA 34.1 (Identified Risk Endorsement). The issuance of the endorsement must be approved by Underwriting Counsel, with the exception of owner-occupied

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The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.

single-family residences and mortgage refinance orders where there is no change in the title holding entity.

If the property in question falls within the geographic area outlined in the ordinance, the following exception must be raised:

“Right(s) of first refusal as created by Title 5 of the Municipal Code of Chicago, Chapter 5-11-060, and known as Tenant Opportunity to Purchase Block (606) District Pilot Program.”

If you are issuing an ALTA 9.6-06 and ALTA 9.9-06 Private Rights endorsements for affected lands you must include an exclusion for this exception in paragraph 4.d.

COVERAGE OVER THE EXCEPTION BY ENDORSEMENT

We may be able to give coverage over the exception, for our specific transaction, in the following instances.

I. ORDINANCE & RIGHT OF FIRST REFUSAL DO NOT APPLY

If the ordinance and right of first refusal do not apply, we may be able to give coverage via endorsement.

Current owner-occupied single-family residences are exempt from the right of first refusal. A Certification of Exemption does not need to be used for such transactions. **Issuance of the ALTA 34.1 Endorsement for owner-occupied single-family residences is approved by the Company when you have documentation in your file establishing that status.**

Refinance orders that do not involve a change in ownership will not activate any right of first refusal under the ordinance. A Certificate of Exemption would not be required. **Issuance of the ALTA 34.1 Endorsement for refinances with no change in ownership is approved by the Company when you have documentation in your file establishing that status.**

Please note: The exception must still be raised for orders involving owner-occupied single-family residences and refinances, as the land remains subject to the ordinance if the occupancy status changes or if the lender forecloses.

II. EXEMPT TRANSACTIONS AND EXEMPT LANDS

If your land is currently exempt, or your specific transaction is exempt, you may be able to give coverage.

Certain types of transfers, and lands, are exempted from the right of first refusal. When the property or transaction is exempt **at the date of policy**, we will be able to provide an endorsement giving coverage over the right of first refusal.

Note: The exception will remain on both the owner’s and loan policies. Relying solely on the Certification is not allowed; a thorough review of the transaction is required.

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Please review the ordinance for a list of transfers which are exempted from the right of first refusal.

III. PROOF OF COMPLIANCE AND ADEQUATE INDEMNIFICATION

If you have proof of compliance with the ordinance and adequate indemnification from the seller or a party associated with the seller, coverage may be provided. However, if you are requesting to insure over with proof of compliance and adequate indemnification, underwriting approval is necessary. Underwriting will provide a necessary list of items needed for approval.

If you are presented with a power of attorney and need additional guidance as to acceptance or refusal of the document, please contact a WFG National Title Insurance Company Underwriter.

Please reach out to Underwriting with any questions.

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