

# How to complete a Standard Lease Agreement in Illinois

Fixed-term residential lease with rent, deposit, term and standard tenant/landlord clauses.

## What this form is for

This form is used by small-business owners who lease commercial or residential property as part of their operations, or who own rental properties as a business line. Banks require lease agreements to verify occupancy costs, rental income streams, and property commitments when evaluating loan applications.

## Before you start

- Property address with complete legal description and unit number if applicable
- Monthly rent amount, security deposit amount, and first month's rent payment date
- Lease term dates (start date and end date for the fixed term)
- Landlord and tenant legal names, mailing addresses, phone numbers, and email contacts
- Illinois-required disclosures including lead paint notice (if pre-1978 property), radon pamphlet acknowledgment, and smoke detector compliance statement

## Step-by-step

1. Fill in the date of the agreement at the top, then enter the full legal names of the landlord (lessor) and tenant (lessee) in the parties section. Use business entity names if applicable, not personal names.
2. Complete the property description section with the street address, city, and any unit or suite number. Include parking spaces, storage units, or other included areas.
3. Enter the lease term by specifying the commencement date and expiration date. Illinois law does not require a maximum term, but confirm the fixed period matches your business planning cycle.
4. Record the monthly rent amount in numerals and words for clarity. Specify the due date (typically the first of each month) and acceptable payment methods.
5. Document the security deposit amount. Illinois law requires landlords to pay interest on deposits held over six months and return deposits within 30 to 45 days after lease end, depending on county and building size.
6. Review and initial the standard clauses covering maintenance responsibilities, utilities, subleasing restrictions, property alterations, and insurance requirements. Make sure each party initials where indicated.
7. Complete the Illinois-specific disclosures section. Attach the lead-based paint pamphlet acknowledgment if the building was constructed before 1978. Confirm smoke detector and carbon monoxide detector compliance statements are checked.

8. Both parties sign and date the signature section. If signing on behalf of a business entity, include your title. Keep fully executed originals for your records and provide one to your lender.

## What lenders look for

- Banks scrutinize lease agreements to confirm your monthly occupancy expense matches what you reported on cash flow projections and loan applications. Inconsistencies trigger underwriting delays or denials.
- If you are the landlord collecting rent, underwriters will verify the lease supports the rental income you claimed. Missing signatures, vague terms, or expired leases weaken your loan file.
- Avoid handwritten changes or crossed-out sections without both parties initialing each alteration. Clean, professional documentation signals reliable business practices to loan committees.