



Consumer News

By Arizona Attorney General TERRY GODDARD



Tenants in Foreclosed Homes

President Obama recently signed into law the Protecting Tenants in Foreclosure Act (S.896, P.L. 111-22). This federal law, which has already taken effect nationwide, extends protection to tenants in foreclosed homes. What are your rights under this law?

Q. *If the property I am renting has been foreclosed on, can the new owners evict me right away?*

A. No. The new law requires that tenants in foreclosed properties receive a 90-day notice prior to being evicted. Specifically, the new law requires that, in the event of a foreclosure, the new owner must allow tenants with leases to occupy the property until the end of the lease term. There are three exceptions to this rule:

- 1) The lease can be terminated on 90 days notice if the unit is sold to a purchaser who will occupy the property.
- 2) The lease has fewer than 90 days remaining.
- 3) The tenancy is month-to-month or a tenancy at-will, in which case the new owners must provide the tenant with 90 days notice prior to eviction.

Q. *What can I do if the new owner says that I have to leave in fewer than 90 days?*

A. New owners may not be aware of the new law. If they attempt to evict you without honoring your lease or providing the required 90-day notice, inform them by certified mail of The Protecting Tenants in Foreclosure Act, which became law on May 20, 2009, and applies to state eviction proceedings. Save the return receipt and a copy of the letter.

Q. *What if I am a Section 8 tenant?*

A. You have all of the rights listed above regarding your lease and the requirement that the owner give you a 90-day eviction notice. In addition, the new law protects tenants receiving federal assistance. If you are renting with Section 8

housing choice vouchers, your contract continues, and the foreclosure is not a lawful reason to terminate your lease. If you have additional questions, contact your local public housing authority.

Additional foreclosure-related resources are available at the Attorney General's Foreclosure Resource Center located on the Attorney General's Web site, www.azag.gov, or at the Arizona Tenants Association Web site, www.tenant.net.