

From: Housing.Counseling
Sent: Friday, January 06, 2012 12:22 PM
To: 'SF-Housing-Counseling-L@hudlist.hud.gov'
Subject: HUD - Protecting Tenants at Foreclosure Act

Housing Counseling Agencies,

The Protecting Tenants at Foreclosure Act went into effect in May 2009 and provides protections to tenants in foreclosed properties. The Act was originally set to expire on December 31, 2012, but the Dodd-Frank Wall Street Reform and Consumer Protection Act extended the expiration date to December 31, 2014. The purpose of this email is to ensure you are aware of the protections available under the Act so that you can knowledgeably assist affected clients.

The Protecting Tenants at Foreclosure Act

In brief, under the legislation, the immediate successor of interest (generally the purchaser) of a foreclosed property must provide all tenants with at least 90 days notice prior to eviction because of foreclosure.

Additionally, tenants must be permitted to stay in the residence until the end of the lease, with two exceptions:

1. The property is sold after foreclosure to a purchaser who will occupy the property as a primary residence, or
2. there is no lease or the lease is terminable at will under state law.

However, even if these exceptions apply, the tenant must be given at least 90 days notice prior to eviction.

The rights of Section 8 tenants are also protected under the Act.

Additional Resources

The PTFA is Title VII of the Helping Families Save Their Homes Act of 2009, the full text of which is available at the following link: <http://www.gpo.gov/fdsys/pkg/PLAW-111publ22/pdf/PLAW-111publ22.pdf>. The PTFA can be found on pages 30 – 32.

The PTFA was extended and clarified by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the full text of which is available at the following link: <http://www.gpo.gov/fdsys/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf>. The PTFA extension and clarification can be found on page 830.

The National Housing Law Project (NHLP) has also prepared materials that can help housing counseling agencies understand the Act's provisions and help tenants exercise their rights under the law. NHLP's materials include sample letters that tenants can use to inform their landlords, as well as sample letters advocates can use to inform the courts and public housing authorities. These materials are available on the National Low Income Housing Coalition website at: <http://www.nlihc.org/template/page.cfm?id=227>

This message has gone out to the email addresses provided by all active housing counseling agencies in HUD's Housing Counseling Program. All Parent Agencies should make sure their sub-agencies have

received this information. Please direct questions or comments to your HUD point of contact or email Housing.Counseling@hud.gov

Sincerely,

Ruth Román
Director, Program Support Division
Office of Single Family Housing
Department of Housing and Urban Development