

## Renters in Foreclosure

### Request for Authorizing Legislation:

- Cosponsor H.R. 1247, the Protecting Tenants at Foreclosure Act of 2009.
- Enact the renter protection provisions in H.R. 1247.

### Issue Summary:

NLIHC estimates that 40% of families facing eviction from foreclosure are renters when the owner of the home they are renting goes into foreclosure. After foreclosure, renters often have little or no notice before being evicted from their homes. Protections such as the bill's 90 days' notice and a right to remain for the term of the lease would provide stability for families renting foreclosed-upon properties and allow them to transition smoothly to a new home.

Representative Keith Ellison (D-MN) introduced H.R. 1247 in March. The bill is cosponsored by Representatives Carolyn McCarthy (D-NY), Michael Capuano (D-MA), Maxine Waters (D-CA), Joe Baca (D-CA), Janice Schakowsky (D-IL), Fortney Pete Stark (D-CA), Jesse Jackson, Jr. (D-IL), and José Serrano (D-NY).

### H.R. 1247 would:

- Require the purchaser at a foreclosure sale to notify tenant 90 days prior to requiring the tenant to vacate the property.
- Provide tenant with an existing lease the right to remain in the property until the end of their lease.
- Provide tenants with Section 8 voucher assistance the right to remain in place for the term of the lease and require purchaser at foreclosure to assume the Section 8 housing assistance payment contract.

The bill includes key protections for renters facing foreclosure. The bill would provide tenants who have leases and who are living in properties that have been foreclosed upon the right to remain in their homes until the end of the existing lease, unless a purchaser intends to use a property as a primary residence. In that case, the lease may be terminated, but the tenant must receive at least 90 days' notice to vacate. Tenants without leases or with a lease terminable at will under state law must also receive 90 days' notice to vacate.

The bill also includes protections for tenants in foreclosed properties who are receiving Section 8 housing assistance. These Section 8 contracts must be transferred to new owners to assure that tenants can remain in place for the remainder of their leases with their assistance intact. In cases where the owner cannot be identified or payment cannot be made to such owner, the public housing agency may use the Section 8 funds to pay the utilities on the property, if they were the responsibility of the owner, or for reasonable moving costs, including security deposits, or both.