



Change to Foreclosure Law to Benefit Renters

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The House and Senate have each passed bills providing that any current lease survives a foreclosure unless the new owner intends to live in the property. Currently, in many states, a landlord has no obligation to notify tenants of pending foreclosure actions, and a renter's lease becomes void the moment a foreclosure sale is completed. The result has been that as foreclosures increase, many renters have found themselves evicted with little or no notice and no opportunity to obtain alternate housing before being forced to vacate their rental property. In addition, renters often lose any security deposits held by their former landlords.

It is estimated that one in five foreclosed properties is a rental, and that as many as 40% of people who have lost housing because of foreclosures were tenants. Proponents of the measures say the new law will help keep renters safe from the risk of homelessness.

"This is a big win, one that really protects people who have done nothing wrong," said Mira Tanna, assistant director of the Metropolitan St. Louis Equal Housing Opportunity Council. The new federal rules would be a "dramatic change," said Sheila Crowley, president of the National Low Income Housing Coalition. "This is a testament to how serious of an issue this is."

Kraft & Associates
2777 Stemmons Freeway
Suite 1300
Dallas, Texas 75207
Toll Free: (800) 989-9999
FAX: (214) 637-2118
E-mail: info@kraftlaw.com