
eviction due to landlords foreclosure

Posted by jmrvm - 2010/02/02 16:21

I received a letter from my landlord stating that she is handing back her house to the bank. In essence she wants to stop making the payments on the house and do a deed in lieu of foreclosure. My question is what rights do i have as a tenant? I still have over 1 & 1/2 yrs on my lease. Must the bank honor that or do i have to vacate? Some guidance is appreciated.

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Posted by unjust! - 2010/02/03 15:45

While some companies, such as Fannie Mae, have committed to protecting tenants that act in good faith from the vanishing landlords, many more banks and companies are not doing anything. Hence forcing tenants in the street. Under the Fannie Mae plan, renters who are living in foreclosed properties are permitted to sign new leases with Fannie Mae while the property is up for sale, or the renter may also receive grants or money to relocate. The amount of move-out assistance paid to tenants will vary by state and property. Fannie Mae has estimated that about 5,000 tenants that live in its foreclosed properties would be eligible for this assistance plan.

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Posted by Samantha - 2010/02/04 22:03

If you receive a foreclosure or eviction notice but you are timely and current with your rent payments then consider the following:

1. Call the sheriff's department and find out how long the foreclosure process takes. In some areas it takes 60 - 90 days for the foreclosure proceedings to start.
 2. Find out the rental laws in your state. Some states, including California, have recently passed legislation giving renters a grace period, ranging from 30 days and up, to stay in a property after it has been sold in foreclosure. Other states are considering similar legislation.
 3. Try to obtain the lender's name from the eviction notice. I suggest contacting the lender or its legal counsel and find out if they are will to let you stay until the property is ultimately sold to a third party.
 4. If you are nervous about negotiating with the lender on your own, contact a local nonprofit housing counseling agency for help. HUD's website lists agencies by state, or you can call (800) 569-4287.
 5. The U.S. Department of Housing and Urban Development outlines tenant rights by state on its website at www.hud.gov
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