



Foreclosure Facts for Tenants: What to Do when Your Landlord Is Facing Foreclosure

FORECLOSURE MAY AFFECT RENTERS

Property owners aren't the only ones who are affected by the foreclosure crisis. In fact, the law requires that tenants be given legal notice when their landlords are sued in foreclosure. Rental tenants should familiarize themselves with the basic information below to protect their interests as best they can:

CAN A LANDLORD BREAK MY LEASE? WILL I LOSE MY RENTAL UNIT?

Generally speaking, rent-paying tenants retain their leases through the foreclosure. Depending on the type of tenancy you have, this can mean different things:

- **Rent-stabilized and rent-controlled tenancies** survive foreclosure (NYC Admin. Code § 26-408);
- **Federally-subsidized tenants** (for example, Section 8) also generally retain their rights despite foreclosure; and
- **Non-regulated tenancies** must be honored through the end of the term of the lease (Real Property Actions and Procedure Law § 1305(2)) .

There are exceptions to every general rule, and certain circumstances can make determining your rights extremely complex. As soon as you learn that your landlord is facing foreclosure, you should seek advice from an agency that provides free legal services.

WHAT DO I DO WITH MY RENT?

Continue paying rent to your landlord. Although your landlord may lose ownership of the building, you should never, under any circumstances, stop paying the rent. Even though there are local laws to protect tenants from eviction, you can still be at risk of losing your home if you fall behind in rent. No matter what anyone says to you verbally, continue to pay your rent to your landlord as you always have done, and make sure that you retain receipts, cancelled checks, or stubs from money orders.

A foreclosure may take many months to complete. If during the foreclosure process the courts determine that your rent should go to another party, known as a Receiver, you will receive a document titled "Notice to Attorn." Unless and until you receive this written notice, continue to pay rent to your landlord.

WHO DO I GO TO FOR REPAIRS?

Your landlord remains responsible for any repairs that should be made to your rental unit during the foreclosure process. However, many landlords undergoing foreclosure neglect to provide continued maintenance, even though it is their legal responsibility. Demand any repairs you need in writing to your landlord. Should he or she fail to provide you with service, contact an agency that provides free legal advice for information on how to proceed against the landlord. If a receiver has been appointed, you should also send copies of your demands to that entity.

GETTING MORE INFORMATION

If you are worried that your landlord might be in foreclosure, but are not certain and have not received any legal notices, you can check with the clerk's office of the Supreme Court in the county where the property is located to see if a proceeding has begun:

Bronx County Supreme Court:	851 Grand Concourse
Kings County Supreme Court:	360 Adams Street
New York County Supreme Court:	60 Centre Street
Queens County Supreme Court:	88-11 Sutphin Boulevard
Richmond County Supreme Court:	130 Stuyvesant Place

Because the foreclosure process has so many special rules, protections and exceptions, you should seek advice and assistance as soon as you know that a case has been filed against your landlord involving your building. When speaking to an attorney, having the following information available will be very helpful:

- what kind of tenancy you have (rent-regulated, unregulated, subsidized);
- a copy of your written lease and renewals, if any; and
- any notices or legal papers from the foreclosure proceeding, whether you are named in it or not.

WHO CAN I CONTACT IF I HAVE QUESTIONS?

If you decide to seek legal advice or assistance, consult www.lawhelp.org for the free legal services organization nearest you, or contact MFY Legal Services at 212-417-3700.

If you live in Manhattan, Brooklyn or the Bronx you may call MFY Legal Services, Inc.'s Housing Project on Mondays, Wednesdays, and Fridays from 2:00 p.m. to 4:30 p.m. at 212-417-3888.

DISCLAIMER: This fact sheet gives general information for NYC residents; it is NOT legal advice.