

voucher lease and the Housing Assistant Payment (HAP) contract entered into by the prior owner and the housing authority. If a tenant has an unexpired lease, the tenant has a right to remain in the unit until the end of the lease term. Only if the purchaser at foreclosure intends to occupy the property as his residence can the lease be terminated. The tenant must still receive 90 days notice before the lease ends.

The new owner must follow the Housing Assistance Payments (HAP) contract between the former owner and the housing authority. The new owner will receive rent payments from the housing authority and the tenant. At the end of the lease term, the new owner can terminate the lease and the HAP contract by giving the at least 90 days notice prior to the end of the lease and

HAP contract. The new owner can terminate at any time if the voucher tenant violates any terms of the lease or fails to pay rent.

Who Does the Act Protect?

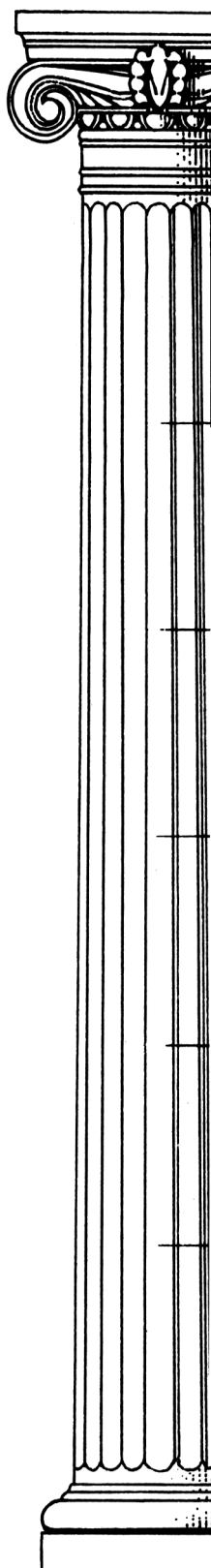
To qualify for these protections the lease between the tenant and the former landlord/owner who lost the property to foreclosure must meet the following:

1. The tenant cannot be the child, spouse or parent of the former owner of the property.
2. The original lease must have been the result of an arms-length transaction. The lease must not be an attempt to avoid or gain the protection of this new law.
3. The rent due under the lease must be close to what other apartments rent for unless the rent is subsidized by the government.

Georgia Legal Services Program®



New Protections For Tenants After A Foreclosure



On May 20, 2009, President Obama signed a new federal law protecting tenants when the property they rent is sold at a foreclosure sale. The Protecting Tenants at Foreclosure Act is a federal law but it applies to state court eviction proceedings. The new owner must give the tenant the required notice before filing to evict. The law expires on December 31, 2012.

Protections for Tenants

When property is purchased at a foreclosure sale, this law requires that the new owner accept and follow any existing leases. The tenant's lease does not end when the property is sold at foreclosure. For example, if a tenant living in the foreclosed property has a lease with nine months remaining, the new owner cannot evict the tenant until the lease ex-

given the tenant. There are three exceptions to the rule that the new owner cannot terminate the existing lease:

1. If the new owner sells the property to a purchaser who intends to occupy the unit as his residence, the lease can be terminated effective the date of the sale. But only if the tenant received 90 days prior notice of termination prior to the sale.
2. If the existing lease has less than 90 days remaining before it expires, the tenant must still be given 90 days prior notice before having to move.
3. If the lease is a month to month tenancy or a tenancy at will, the landlord must give the tenant 90 days prior notice.

Tenant Responsibilities

Following foreclosure, the tenant must pay rent to the new owner or face eviction. The rent owed is the amount stated in the lease with the old owner. If you rent property that is foreclosed upon and the new owner tells you to move, the owner must follow the new law. If the purchaser at foreclosure files to evict without giving the required notice, the tenant should file an answer and tell the court the law was not followed. The law which provides these protections is the Protecting Tenants at Foreclosure Act, Pub. L. No. 111-22, § 702 (2009).

Tenants Using Vouchers

The new law also protects tenants who rent using housing vouchers. The new owner who purchases at a foreclosure sale is legally bound by the tenant's