

OWNER UPDATE



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"The mission of the Cambridge Housing Authority is to develop and manage safe, good quality, affordable housing for low-income individuals and families in a manner which promotes citizenship, community & self reliance."

NEW LAW PROTECTS VOUCHER HOLDERS LIVING IN FORECLOSED PROPERTIES

On May 20, 2009 President Obama signed the "Helping Families Save Their Homes Act of 2009". The new law protects tenancies of renters in good standing living in properties that are being foreclosed on by lenders. The law includes protections for both market and Section 8 tenants whose tenancies may be at risk due to foreclosure.

Under the new law, the "immediate successor in interest", which is usually a bank or other lender but could be a private owner, is responsible for both the lease between the previous owner and tenant as well as the Housing Assistance Payment (HAP) contract between the owner and the Housing Authority.

The new law makes it clear that foreclosure does not constitute "other good cause" for the purpose of terminating an existing Section 8 lease unless the new owner plans on occupying a Section 8 tenant's unit. The new owner must provide the tenant with at least ninety (90) days notice to vacate the unit when he or she will be occupying the tenant's unit when the property changes hands.

The new law is the minimum protection offered to voucher holders, but makes clear that it does not supersede any state or local laws that provide additional tenant protections.

Although the law took effect on May 20, 2009, it also effects voucher holders living in properties that were already foreclosed on. The law puts responsibility on the immediate successor in interest to honor and abide by the terms of the lease and HAP contract as soon as they take ownership of the property.

While Cambridge is not experiencing the same high foreclosure rates as other parts of the state or nation, CHA believes it is important for owners to know that they cannot terminate tenancies if a property they own is being foreclosed on. In addition, owners becoming the immediate successor in interest of any foreclosed properties must honor any existing leases and HAP contracts in their new properties.

More information on the new law is available online at www.hud.gov/news/release.cfm?content=pr09-068.cfm