

PROTECTING TENANTS AT FORECLOSURE ACT

JUNE 2015



NATIONAL LOW INCOME HOUSING COALITION

The Protecting Tenants at Foreclosure Act (PTFA) was the only federal protection for renters living in foreclosed properties. The law provided most renters with the right at least to 90 days' notice before being required to move after foreclosure. Today, just like before the 2009 enactment of the law, renters, who often have no idea that their landlords are behind on mortgage payments, can be evicted with just a few days' notice in many states. Even though the foreclosure crisis remains a problem in most parts of the country, the PTFA law expired on December 31, 2014.

NLIHC supports **S. 730**, introduced by Senator Richard Blumenthal (D-CT), and **H.R. 1354**, introduced by Representative Keith Ellison (D-MN). These bills would restore and make permanent the Protecting Tenants at Foreclosure Act. NLIHC is also pleased that the Community Lender Regulatory Relief and Consumer Protection Act, introduced by Senator Sherrod Brown (D-OH) as **S. 1491** and by Representative Maxine Waters (D-CA) as **H.R. 2642**, include restoring the PTFA and making its protections permanent.

As the foreclosure crisis took hold, experience and research revealed that rental properties and renters are at significant risk, with renters comprising 40% of the families affected by foreclosure. These families often have no idea that their landlords have fallen behind on mortgage payments, and have usually continued to pay their rent even as their landlords have failed to pay the mortgages.

According to data from the National Housing Law Project, based in part on data from the National Law Center on Homelessness and Poverty, most states have either no specific protections for renters in foreclosed properties or have weaker protections than those provided by the PTFA (see chart below).



STATE LAW:

EVICTION NOTICE IN DAYS

STATE LAWS

No Specific Protection

(19) Alabama, Alaska, Colorado, Hawaii, Kansas, Indiana, Maine, Michigan, New Hampshire, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Virginia

Immediate

(8) Arizona, Arkansas, Florida, Georgia, Kentucky, Mississippi, Wisconsin, Wyoming

3 Days

(1) Iowa

5 Days

(2) Delaware, Louisiana

10 Days

(3) Missouri, Montana, North Carolina

30 Days

(3) Oregon (60 for leases), Texas, West Virginia (90 for leases)

60 Days

(2) Nevada, Washington

90 days/PTFA or stronger

(10) California, Connecticut, District of Columbia (just cause), Illinois, Maryland, Massachusetts (just cause), Minnesota, New Jersey (just cause), New York, Rhode Island (just cause)