

# NEWS FROM SCDC

South Carolina Department of Consumer Affairs



Brandolyn Thomas Pinkston, Administrator

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## FOR IMMEDIATE RELEASE

### Protecting Tenants in Foreclosure

On May 20, 2009, provisions immediately went into effect which protect tenants living in foreclosed buildings. These provisions are “self-executing” however, so no federal agency is responsible for making them work. The South Carolina Department of Consumer Affairs wants to protect any Palmetto State consumers impacted by this law and is urging advocates to become involved.

“We need to ensure that tenants, landlords, public housing authorities, courts, the legal community and others involved in the foreclosure process are aware of these new rights for tenants,” said SCDCA Administrator Brandolyn Thomas Pinkston.

The law, Protecting Tenants in Foreclosure Act, applies to all federally –related mortgage loans or any dwelling or residential real property – in effect, it applies to *all* State foreclosure cases. The most important component of the law, according to SCDCA Attorney Lil Ann Gray: **All tenants must get a 90 day notice prior to eviction due to foreclosure – at a minimum.**

The Act also has another important protection. It requires that a new owner who took title to residential rental property through foreclosure **must honor existing leases until the end of the lease term.** Gray points out that there are three exceptions to this rule:

1. If there is an existing term lease and the new owner wants to occupy the foreclosed property as a personal residence before the end of the lease term
2. If there is an existing term lease with less than 90 days to the end
3. If the existing lease is a month-to-month tenancy or a tenancy at will

The law also applies to Section 8 tenants. Housing Assistance Payments (HAP) contracts must be honored with the same provisions and exceptions.

The National Housing Law Project (NHLP) has prepared materials that will help landlords, tenants, and other foreclosure key players understand the provisions. More important, it will help tenants who

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#### About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers.

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

For more information, visit [www.scconsumer.gov](http://www.scconsumer.gov).

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are victims of circumstance exercise their new rights under this law. NHLP's materials include sample letters that tenants can use to inform their landlords, as well as sample letters advocates can use to inform the courts and public housing authorities. All of this information can be found on the National Low Income Housing Coalition's website: [www.nlihc.org](http://www.nlihc.org). The Coalition, based in Washington, DC, can also be contacted by telephone during normal business hours: 202.662.1530. Consumers can also contact SCDCA Attorney Lil Ann Gray, 803.734.4272.

For more information on protecting tenants in foreclosure or other consumer issues, please contact the SC Department of Consumer Affairs, 803.734.4200, or toll free in SC 1.800.922.1594 or [www.sconsumer.gov](http://www.sconsumer.gov).

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