



NEW YORK STATE SENATOR

Eric Adams

NYS Senator Eric Adams and His Majority Conference Colleagues Pass Legislation Protecting Tenants In Foreclosed Buildings. Governor Signs Bill Into Law.

ERIC ADAMS August 17, 2010

| ISSUE: **FORECLOSURE**

NYS Senator Eric Adams and the Senate Majority Conference protect residents of foreclosed buildings by reversing prior law that permitted tenants to be forced from homes without due notice.

NYS Senator Eric Adams states: “The Senate Majority Conference bill S7139, affording greater protections to tenants of buildings in foreclosure, has been signed into law. Rent-regulated tenants must now receive notification of any foreclosure.

“Further, these tenants must now receive a notice of their housing rights. Prior notification requirements were inadequate, failing to make clear to rent controlled and rent stabilized tenants that their housing rights are unaffected by a foreclosure proceeding.

“This legislation establishes a fairer and more understandable system. Tenants should not automatically assume that they must vacate because their building is in foreclosure; this bill mandates that they be provided with the appropriate information about their rights.”

“Tenants often have great difficulty accessing information about a foreclosure. The new law requires the foreclosing entity to provide on the mandatory notice a name, address, and phone number for additional information, empowering tenants and curbing misleading behavior.

“The Senate Majority Conference has conducted a comprehensive statewide initiative to assist struggling homeowners to refinance properties to avoid foreclosure. In the past two years, the Majority has passed bills empowering homeowners to take action against lenders who fail to negotiate in good faith during foreclosures and legislation helping members of the armed forces to avoid the foreclosure process while serving our nation. This new bill is the latest Majority Conference effort to curb foreclosures and their adverse effects on residents of New York.

“One final important note: most tenants with leases may potentially stay in their dwelling for the remainder of the lease term, despite foreclosure. Rent-stabilized tenants and rent-controlled tenants are protected with respect to eviction and lease renewals, and their rights are unaffected by a building entering foreclosure status.”