

Attention Landlords:
Notice of HUD PIH 2009-52-
Protecting Tenants At Foreclosure Act

PIH 2009-52 was issued by the U.S. Department of Housing and Urban Development (HUD) on December 15, 2009 in response to the Protecting Tenants At Foreclosure Act (PTFA), which is part of the Helping Families Save Their Homes Act of 2009, approved May 20, 2009.

Under the new statutory provisions of the Protecting Tenants At Foreclosure Act (PTFA):

The immediate successor in interest, which is the party gaining ownership through a foreclosure sale, becomes subject to the HAP contract.

There must be “good cause” other than vacating the property prior to sale in order to terminate the existing tenancy.

If the immediate successor-in-interest will use the unit as a primary residence, the lease can be terminated effective on the date of the sale with the tenant still entitled to a minimum of 90 days notice to vacate.

If a PHA learns that the property is in foreclosure, the PHA must:

- Make all reasonable efforts to determine the status of the foreclosure and ownership of the property
- Continue to make payments to the original owner until ownership legally transfers in accordance with the HAP contract
- Attempt to obtain a written acknowledgement of the assignment of the HAP contract from the successor in interest. Even if the new owner does not acknowledge the assignment of the HAP contract in writing, the assignment is nevertheless effective by operation of law
- Inform the tenant that they must continue to pay rent in accordance with the lease, and if the successor in interest refuses to accept payment or cannot be identified, the tenant should pay the rent into escrow