



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-56-2009**  
**September 28, 2009**

## **PROTECTING TENANTS AT FORECLOSURE ACT**

### **Public Law**

**Summary:** On May 20, 2009, President Obama signed the Helping Families Save Their Homes Act of 2009, Public Law 111-22. Included in the public law is the Protecting Tenants at Foreclosure Act (Division A, Title VII), which provides protections for tenants, including tenants in housing subsidized by Section 8 of the United States Housing Act of 1937, who are living in homes subject to foreclosure.

#### **Distribution:**

FDIC-Supervised Institutions

#### **Suggested Routing:**

Compliance Officer  
Chief Lending Officer  
Loan Servicing/Loss Mitigation Department

#### **Related Topics:**

Section 8(o)(7) of the United States Housing Act of 1937

#### **Attachment:**

Protecting Tenants at Foreclosure Act (Public Law 111-22, Division A, Title VII)

#### **Contacts:**

Samuel Frumkin, Senior Policy Analyst, at (202) 898-6602 or [sfrumkin@fdic.gov](mailto:sfrumkin@fdic.gov); or Jeanne Rentezelas, Counsel, at (202) 898-6786 or [jrentezelas@fdic.gov](mailto:jrentezelas@fdic.gov)

#### **Note:**

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#### **Highlights:**

Under the Protecting Tenants at Foreclosure Act:

- All tenants must receive a 90-day notice before being evicted as the result of a foreclosure.
- With some exceptions, the law requires that in the event of foreclosure, existing leases for renters are honored to the end of the term of their lease.
- The stated exceptions are for tenants without a lease, tenants with a lease terminable at will under state law, or where the owner acquiring the property will occupy it as a primary residence. In these cases, the tenants must receive a minimum of 90 days notice to vacate the property.
- This law does not affect the requirements of any state or local law that provides longer time periods or other additional protections for tenants.
- The new law does not require any agency to issue implementing regulations; these protections apply to foreclosures after May 20, 2009.
- FDIC examiners will monitor and enforce compliance with the requirements of this law in the same manner as other consumer protection laws and regulations.