

Knowing Tenant Rights Eases Foreclosure Problems

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Tenants, ignorant of their rights, may experience added difficulties if the property they rent goes into foreclosure. When a property forecloses, the owner receives constant updates from the bank. However, with a rental property, the foreclosure

can remain hidden from the tenant depending on whether the property owner chooses to disclose that information. In some cases, tenants are kept in the dark until the day they get “surprised” by an eviction notice. That day comes when a person shows up at the home, giving the renter five days, then another three days, to vacate. After those last three days, that same person will come to the home and insist that the renter sign a Relocation Assistance/Cash for Keys agreement. Typically, this agreement allows the renter 14 days to vacate from a particular date as well as \$2,000 to cover moving expenses.

Those extra 14 days may seem like a nice gesture and \$2,000 can be tempting especially if the renter is financially strapped. However, the renter is not required to accept this "offer." The real issue is that most renters, landlords, lenders, realtors, and other agents that work in the current real estate market are not aware of a renter's rights.

Under Nevada State Law (NRS 40.255), the owner of a dwelling must provide the occupant with a three day Notice to Vacate before filing a Complaint for Eviction. If the owner of the property does so, the occupant has 20 days to file a response to oppose the eviction. If the occupant

does not respond, the owner can request a default judgment and obtain an Order for Eviction from the court. Once the owner obtains the order, the occupant must vacate the property within the specified time.

If a legitimate rental agreement exists and the owner does not provide the renter with a three day notice to vacate then, under the new federal law called Helping Families Save Their Homes Act of 2009, the renter will have up to 90 days to vacate the property. During the time the renter remains on the property, the bank may send an agent to make the renter an offer in an attempt to move out of the property more quickly. This offer will be one that falls under Relocation Assistance/Cash for Keys. In such a scenario, the owner or bank will typically ask the renter to move out by a date specified in the agreement and, in exchange for leaving the property in good condition, the bank will pay the renter a negotiated sum of money to assist the renter in obtaining a new home.

Renters who agree to an offer under Relocation Assistance/Cash for Keys no longer have the protection of the Helping Families Save Their Homes Act of 2009. They are allowed only the amount of time to vacate the property specified within the Relocation Assistance/Cash for Keys agreement. Presently, many banks try to strong arm renters out of a property without a notice to vacate or an offer under Relocation Assistance/Cash for Keys. In those cases, renters will be able to remain on the property for 90 days or until a court orders them to move. In every situation, renters who know their rights can avoid being a victim of misinformation and undue influence to make an informed decision.