

## Tenant Rights in Foreclosure

Adapted from NV AB 140

1. If the sale of foreclosed property is a residential foreclosure, a separate notice must be posted in a conspicuous place on the property and mailed, with a certificate of mailing issued by the United States Postal Service or another mail delivery service, to any tenant or subtenant, if any, other than the judgment debtor, in actual occupation of the premises not later than 3 business days after the notice of the sale is given pursuant to subsection 1. The separate notice must be in substantially the following form:

### NOTICE TO TENANTS OF THE PROPERTY

Foreclosure proceedings against this property have started, and a notice of sale of the property to the highest bidder has been issued. You may either: (1) terminate your lease or rental agreement and move out; or (2) remain and possibly be subject to eviction proceedings under [relevant section of state eviction law]. Any subtenants may also be subject to eviction proceedings. Between now and the date of the sale, you may be evicted if you fail to pay rent or live up to your other obligations to the landlord. After the date of the sale, you may be evicted if you fail to pay rent or live up to your other obligations to the successful bidder, in accordance with [relevant section of state eviction law].

If the property is sold and you pay rent by the week or another period of time that is shorter than 1 month, you should generally receive notice after not less than the number of days in that period of time.

If the property is sold and you pay rent by the month or any other period of time that is 1 month or longer, you should generally receive notice at least 60 days in advance. [Include other relevant state legal information on responding to evictions]

2. If the property has been sold as a residential foreclosure, a tenant or subtenant in actual occupation of the premises, other than a person whose name appears on the mortgage or deed, who holds over and continues in possession of real property or a mobile home may be removed as prescribed [under state law], after receiving a notice of the change of ownership of the real property or mobile home and after the expiration of a notice period beginning on the date the notice was received by the tenant or subtenant and expiring:

- (a) For all periodic tenancies with a period of less than 1 month, after not less than the number of days in the period; and
- (b) For all other periodic tenancies or tenancies at will, after not less than 60 days.

3. During the notice period described in subsection 2:

- (a) The new owner has the rights, obligations and liabilities of the previous owner or landlord pursuant to chapter 118A of NRS under the lease or rental agreement which the previous owner or landlord entered into with the tenant or subtenant regarding the property; and
- (b) The tenant or subtenant continues to have the rights, obligations and liabilities he had pursuant [under state law] under the lease or rental agreement which he entered into with the previous owner or landlord regarding the property.

4. The notice described in subsection 2 must contain a statement:

- (a) Providing the contact information of the new owner to whom rent should be remitted;
- (b) Notifying the tenant or subtenant that the lease or rental agreement he entered into with the previous owner or landlord of the property continues in effect through the notice period described in subsection 2; and
- (c) Notifying the tenant or subtenant that failure to pay rent to the new owner or comply with any other term of the agreement or applicable law constitutes a breach of the lease or rental agreement and may result in eviction proceedings.

5. If the property has been sold as a residential foreclosure, no person may enter a record of eviction for a tenant or subtenant who vacates a property during the notice period described in subsection 2.

6. If the property has been sold as a residential foreclosure, nothing in this section shall be deemed to prohibit:

- (a) The tenant from vacating the property at any time before the expiration of the notice period described in subsection 2 without any obligation to the new owner of a property purchased pursuant to a foreclosure sale or trustee's sale; or
- (b) The new owner of a property purchased pursuant to a foreclosure sale or trustee's sale from:
  - (1) Negotiating a new purchase, lease or rental agreement with the tenant or subtenant; or
  - (2) Offering a payment to the tenant or subtenant in exchange for vacating the premises on a date earlier than the expiration of the notice period described in subsection 2.

7.(a) A landlord shall disclose in writing to a prospective tenant if the property to be leased or rented is the subject of any foreclosure proceedings. (b) A willful violation this subsection (a) a constitutes a deceptive trade practice for the [under state law].