

## DISCLOSURE OF FORECLOSURE: TENANTS

Did you know, That as of January 1, 2013, property managers and landlords in California are required to disclose in writing to any prospective tenants, if a notice of default has been recorded against the property. The law applies to rentals of single-family homes and apartment buildings of no more than four units.

### THE DETAILS

The disclosure also includes a notice that if a new owner takes ownership of a property following foreclosure, the owner will not be able to evict the tenants without a 90 days written eviction notice, in many cases.

For landlords who violate the disclosure requirement, tenants may be able to void any lease and recover one month's rent or twice the actual damages—whichever is greater. Tenants may also be able to recover all pre-paid rent from the landlord, if the landlord

violates the disclosure requirement, according to the new law. Should the tenant not be notified properly and the property is in escrow, it could delay the closing.

If a title company is being asked to insure the sale of the property after a foreclosure, they may require an affidavit from the owner stating, if there are tenants or anyone else in possession of the property.



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