

# Washington Metro Area Tenants in Foreclosure Conference

## Case Studies

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### **Case 1: Pre-foreclosure**

My name is Claire Moody. I live in Prince George's County. My family and I rent a 3 bedroom, 2 bath home for \$800 per month. We have a 1 year lease that began March 1, 2010. Our pastor actually owns the home. We thought we were getting a good deal, but now it turns out that water is leaking everywhere! We have water leaking through the roof into the one of the bedrooms, from one of the bathrooms through the ceiling into the living room; and water leaking into the basement with mold growing down there.

Now, last week, we got this notice saying that the house was going to be sold at foreclosure and we're going to be evicted in 45 days! What should we do?

#### **Discussion Questions:**

- Is Ms. Moody a bona fide tenant? Fair market rent?
- Is the notice she received about vacating in 45 days correct?
- How could you find out more information about the foreclosure?
- How could you alert the bank or the new owner about the tenancy and/or conditions issues?
- Other important information you want to know?

### **Case 2: Cash for Keys**

Carlos has been renting a two bedroom house for the past seven months. He never signed a lease. He has been paying rent in the amount of \$1400 per month. He lives with his family, wife and three school-aged children.

One day Juan, a realtor, approaches him and informs him that the house he is renting was foreclosed upon and that his family must vacate immediately. The realtor offers him \$1000 to move out in two weeks. Carlos requests time so that he can talk it over with his wife. Juan says Carlos must make a decision in the next 24 hours or the sheriff will come to evict the family. Carlos is an undocumented immigrant and he does not speak English.

#### **Discussion Questions:**

- Does Carlos have rights under PTFA as an undocumented immigrant?
- Is Carlos a bona fide tenant?
- What should Carlos do next?
- What if the offer is from the new owner?
- What should Carlos do if the offer is not from the new owner?

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### Case 3: Tenant's Responsibilities After Sale

My name is Sheila. I live in a single family home that I rent with my family. I pay \$1500 per month, which includes water. I pay the other utilities. My landlord's handyman, Max, comes by on the 1st of each month to collect my rent. If there are problems with the house, I tell him and he usually fixes things right away. Last month when Max came by for the rent, I told him there was a water leak under the bathroom sink and he said he would come back to look at it; he did not. This month, the landlord came by for the rent himself. I paid him and told him about the water leak. He said Max would come by but he did not.

Yesterday, the water stopped working. When I called the landlord, his phone was disconnected. When I called the water company they said the bill was six months overdue. I went to the landlord tenant resource center and they told me that my house had been foreclosed on two months ago, and is now owned by Bank A.

#### Discussion Questions:

- I want to call Bank A. How do I do that?
- Will they pay the entire water bill? What happens if I pay the water bill?
- What about the rent that I paid to the landlord and to Max, will I have to pay it again?
- Who will make repairs to the home?

### Case 4: Due Diligence at Foreclosure

My name is Sarah Hunter. I live in Southeast D.C. in a 4-unit apartment building. Two of the apartments have tenants and two of them are empty. I have a housing voucher and my rent is zero.

About 4 months ago, I received a notice from a law firm in Baltimore saying that my building has been foreclosed. I tried to call their office to find out what was going on, but they said they had closed the case and sent it to another attorney.

A few weeks later, a real estate agent came to the property. He offered me some money if I move out, but I don't want to leave. I told him about some of the bad conditions in my apartment. He wasn't interested in looking at those problems.

Several other contractors have come out to the building since then to look around and change the locks on the empty apartments. I have tried to talk to them, but they won't talk to me.

I went to the Housing Authority to tell them about the foreclosure. They told me that they will stop paying the rent to the old landlord, but the bank has to sign papers with them to start receiving the rent.

Now I have received some court papers in the mail. They have my old landlord's name on them, not my name. They are from a different law firm in D.C. I tried to call their office to find out what is going on. One of their legal assistants said that they can't talk to me because the case is in court. I am not sure if I should go to court or not.

#### Discussion Questions:

- What should the law firms do when a tenant contacts them?
- What should the agent do when he finds someone living in the property?
- What should the contractors do when they find someone living in the property?
- Is it proper for the bank to file a lawsuit against the old landlord?