



County of Los Angeles
Department of Consumer Affairs
Information Sheet



RENTERS IN FORECLOSURE

When your landlord falls behind on their mortgage payment, the bank can take back the home. This process is called [foreclosure](#).

If you are renting a home that has fallen into foreclosure, Federal, State and some city laws will at least temporarily keep you in your home.

If you live in the [City of Los Angeles](#), renters in good standing cannot be evicted because of a foreclosure. (See details below.)

If you live [anywhere else in California](#), renters get until the end of their lease, or at least 90 days, to move out in a foreclosure.

CALIFORNIA RENTERS (outside of the City of Los Angeles)

How long can I stay?

According to U.S. law, which went into effect in May 2009:

- If you have a written lease with your landlord, you cannot be evicted until the end of your lease.
- If you do not have a lease, you must receive at least 90 days notice before you have to leave the property.

What notice will I get?

According to California law, your landlord does not have to tell you the home you are renting is in foreclosure. But before the home is sold, a "Notice of Sale" must be posted at the home along with some information about your right to continue to live in the property.

Once the home is sold, the new owner (bank or third party) must attach a cover sheet to the notice of termination of tenancy providing information about your rights to stay in the property.

Who do I pay rent to?

Until the home is sold, you must continue to pay your monthly rent to your landlord. You owe rent to the new owner once the home is sold.

If the new owner wants you to move out, they must give you a 90-day written notice. If you don't move out within 90 days, they can begin the [eviction process](#). The new owner cannot cut off your utilities, change the locks or make other efforts to throw you out.

What is "Cash for Keys?"

In most cases, the new owner is the bank or lender that foreclosed on the property. They may offer you money to move out sooner than 90 days. This is called "Cash for Keys." If you agree to this make sure the person has authority to make the offer and gives you the offer in writing. Not all tenants will receive a cash-for-keys offer.

What about my security deposit?

Your landlord must return your [security deposit](#) minus any lawful deductions, or transfer it to the new owner. If not, both the old and new owner is liable.

What if I'm on Section 8?

The new U.S. law giving renters 90 days notice also applies to Section 8 tenants. Other special rules apply if you receive Section 8. Contact your case worker or local Section 8 office immediately. Tell them about the foreclosure and discuss the terms of your contract.

What if my city has rent control?

Some cities with [rent control](#) do not allow a new owner to evict you because of a foreclosure. Contact your local rent control office for more information:

- [Santa Monica](#): (310) 458-8751
- [West Hollywood](#) (323) 848-6450
- [Beverly Hills](#) (310) 285-1031

CITY OF LOS ANGELES RENTERS

Starting in December 2008, a renter in the City of Los Angeles cannot be evicted simply because of a foreclosure.

[Los Angeles](#) has rent control, which protects some but not all renters. Rent control laws require landlords to have one of 12 specific reasons to evict a tenant. A foreclosure is not one of those reasons.

This protection against foreclosures now applies to all renters in the City of Los Angeles.

- If the bank or lender which takes over a property in a foreclosure tries to evict a renter, call Los Angeles' rent control hotline at (866) 557-7368 or (213) 808-8888.
- If you receive an Unlawful Detainer, immediately contact a lawyer or a legal aid agency.
- If you get notice of a foreclosure sale from a financial institution, contact that business to find out how and where to send your rent.

Watch out for scams!

After someone buys the property at a public auction, other people may try to collect rent from you. Don't give money to anyone unless they can prove they now own the property.

The "Deed Upon Sale" will tell you who the new owner is. You can get a copy by visiting the Los Angeles County Registrar Recorder's office at: 12400 Imperial Hwy, Norwalk, CA 90650.

If you need legal help

If you need a lawyer and cannot afford one, you might be eligible for free legal help. Find nonprofit groups through [California Legal Services](#), the California Courts Online [Self-Help Center](#), or by contacting your local court or County Bar Association.

[Contact us](#) for more information or speak with one of our counselors at (800) 973-3370. If you live outside of Southern California, call us at (213) 974-1450.

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For more information:

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