

delay in this provision so that the court records system can find a good way to deal with this.

HOW CAN THE TENANT RESOURCE CENTER HELP TENANTS WITH LANDLORDS BEING FORECLOSED ON?

- **Information.** The Tenant Resource Center maintains a hotline to assist tenants and landlords in figuring out their rights and responsibilities. The hotline (1-877-238-RENT) is staffed Monday - Friday 10 - 4 or you can email at [asktrc@](mailto:asktrc@tenantresourcecenter.org)
- tenantresourcecenter.com or visit our website at www.tenantresourcecenter.org.
- **Next Steps.** The Tenant Resource Center can assist tenants and landlords in analyzing their options and creating an action plan to deal with the problems they are having. This includes assistance deciding what to ask or tell a landlord or tenant, sample letters to send a landlord or tenant, aid in reading leases and other documents, help getting copies of relevant laws and figuring out if a tenant or landlord needs to file a court action.
- **Financial Assistance.** The Tenant Resource Center has limited financial assistance available for tenants who are losing their housing due to foreclosure actions. We can help with up to approximately \$500 per household,

with adjustments made for household size, how soon people are being evicted, the county you live in and income of the tenant. Through September 1, 2009 assistance will be limited to tenants who are below 60% of the Area Median Income (AMI) for their area. (Call the Tenant Resource Center to see if you qualify.) After September 1, we will help people at the 60- 80% range and make referrals to local agencies that can assist people at lower income levels.

5/29/09

This program is funded by:



Tenant Resource Center

Foreclosure Assistance for Rental Units



1-877-238-RENT
Monday-Friday
10:00a.m.- 4:00p.m.

asktrc@tenantresourcecenter.org
www.tenantresourcecenter.org

1202 Williamson St, Suite A
Madison, WI 53703

If you need an interpreter, materials in alternate formats, or other accommodations to access our services, call our office at (608)-257-0143

Recent changes to the Wisconsin Statutes give tenants more rights when the landlord is involved in a foreclosure action. The changes to the law described in this brochure went into effect on March 6, 2009.

Even more recent changes to the Federal law that went into effect May 20, 2009 gives even more protections to tenants, until December 31, 2012 when the law expires.

Because these laws are new, we suggest you talk to a housing counselor to ascertain which laws might apply to your individual situation. In Dane County call 257-0006 or outside Dane County 1-877-238-RENT. See front for further contact information.

LANDLORD DUTY TO DISCLOSE TO ALL TENANTS

If a landlord knows that a foreclosure has begun on the property, s/he must disclose to the prospective tenant a) the fact that a foreclosure has been started, and b) the date on which the redemption period expires. If the landlord fails to make these disclosure, the tenant can break the lease without further consequences. Wis. Stats. 704.35(1)

In addition, when the bank forecloses on a property, the bank now also has the duty to inform the tenants in the building. The bank has to notify the tenants as follows (Wis Stats 846.35(1)):

- That a foreclosure has been filed, within 5 days of filing the court case.

- That the court has entered a judgment for foreclosure, within 5 days of the judgment being entered.
- Notice of the date and time of the hearing when the confirmation of sale hearing has been scheduled.

If the bank fails to disclose the above information, the court can award \$250 to the tenant that should have received notice, plus reasonable attorney fees. Wis. Stat. 846.35(1)(c)

LANDLORD DUTY TO DISCLOSE TO NEW TENANTS

If a lease is signed during the time that foreclosure action is pending and before the redemption period expires, the lease must contain a separate written statement, that the landlord has provided the information identified above and a statement that the lease is voidable by the tenant, at the tenant's option at any time. If the lease is voided, the tenant has no further responsibility for the lease. Wis. Stat. 704.35(2)

HOW LONG CAN THE TENANTS STAY AND WHAT RENT DO THEY PAY?

According to state law, the tenant can stay an additional two months after the end of the month in which the sale of the property is confirmed. Wis. Stats. 846.35(2)(a)1. An example would be if the sale is confirmed on June 10th, the tenant can stay until the end of June, plus two more months. So the tenant won't have to move until August 31st. ***HOWEVER, the new federal law that expires December 31, 2012 says that tenants who have writ-***

ten leases that expire on a certain date may stay until the end of the lease. For verbal or month-to-month or other periodic leases, the tenant may stay for 90 days. The tenant has to pay rent equivalent to what s/he had been paying in the past if they stay. Wis. Stat. 846.35(2)(b) The sheriff may not remove a tenant as a result of the foreclosure action unless the tenant waives the right to be able to stay for the additional 2 months or is in violation of the lease for non-payment of rent or behavior issues. Wis. Stat. 846.35(3)

SECURITY DEPOSIT AND PAYING LAST MONTH'S RENT

The tenant can use his/her security deposit for their last month's rent payment. Wis. Stat. 846.35(2)(a)2. However, using the example above, if the tenant uses his/her security deposit for July's rent, then the tenant must be out of the apartment by the end of July. If s/he uses it for August rent, s/he needs to be out by the end of August. In other words, the deposit can only be used by the tenant for the LAST months rent. Wis. Stat. 846.35(2)(a)3.

WILL THE TENANT HAVE AN "EVICTION RECORD"?

The law that was passed says that no eviction that is a result of a foreclosure shall be entered into the State of Wisconsin on-line court record system, commonly known as CCAP. However, this law says that there will be a three month