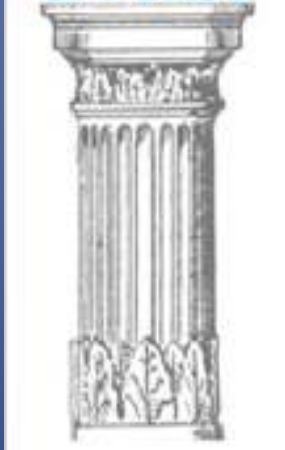


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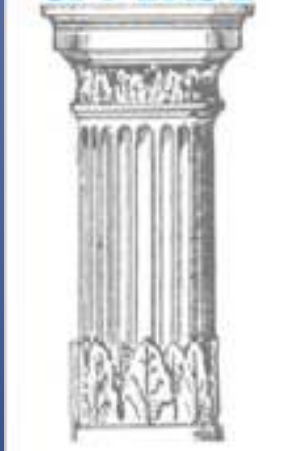
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**IREM  
MANAGERS  
AND MAINTENANCE  
TRAINING**

**September 27, 2010**

**Gillette Stadium**

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# FORECLOSURE ACT

## Effect of Foreclosure on Pre-Existing Tenancy

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# 1. FORECLOSURES ARE RAMPANT

- Statistics in MA
- Statistics in New England



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## 2. EFFECT OF FORECLOSURES:

- On property management
- On property values
- Unpaid common area charges
- Financial strain on property owners and condominium association

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### 3. FORECLOSED REAL ESTATE MUST BE MAINTAINED

- Property often in disrepair
- non-paying tenants



4. Foreclosing parties, often lenders, take back property, but property remains vacant and unsold

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5. DO TENANTS in  
possession of  
foreclosed property  
have RIGHTS TO  
STAY IN THE  
PROPERTY?

- hold-over owners
- actual paying  
tenants



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## 6. MA STATE LAW BEFORE NEW FORECLOSURE ACT

- Foreclosure in compliance with M.G.L. terminates tenancy
  - tenancy at will
- 30 notice requirements
  - no self-help eviction
  - summary process – legal process
  - executions and appeals



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## 7. FORECLOSURE ACT “Protecting Tenants at Foreclosure Act of 2009”

- Federal statute, effective  
May 20, 2009



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- (A) 90 day prior written notice required if tenant at will
- (B) Must honor longer duration term of written lease if lease
  - Expires within 90 days
  - Lease
  - Fair rent
  - In writing and signed



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- (C) Longer duration, including renewals in federally subsidized
  - Leasing i.e., sec. 8
- (D) Summary process – legal process



## 8. NOTICE

- ACTUAL
- CONSTABLE

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## 9. SUBJECT TO RIGHTS/ LIABILITIES OF TENANCY

- Security deposit
- Breach of warranty of habitability
- Retaliatory evictions
- Rental flow



- Summary process,  
discovery delays,  
executions, appeals
- Bankruptcy

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# Foreclosures in Connecticut and New England

Analysis of Mortgage Bankers Association  
National Delinquency Survey  
Data through Q1-10

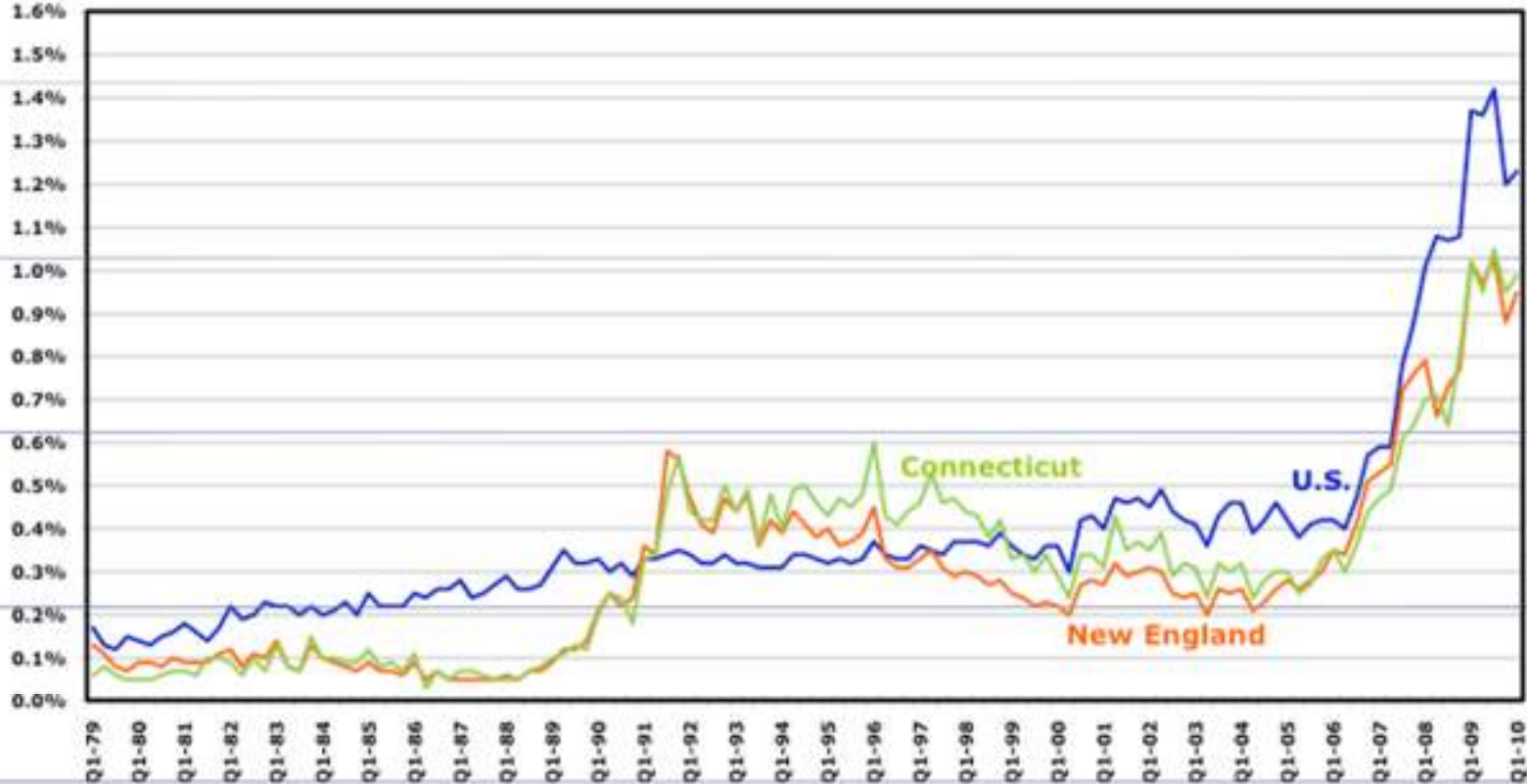
Version: July 7, 2010



Prepared by Kai-yan Lee [kai-yan.lee@bos.frb.org]

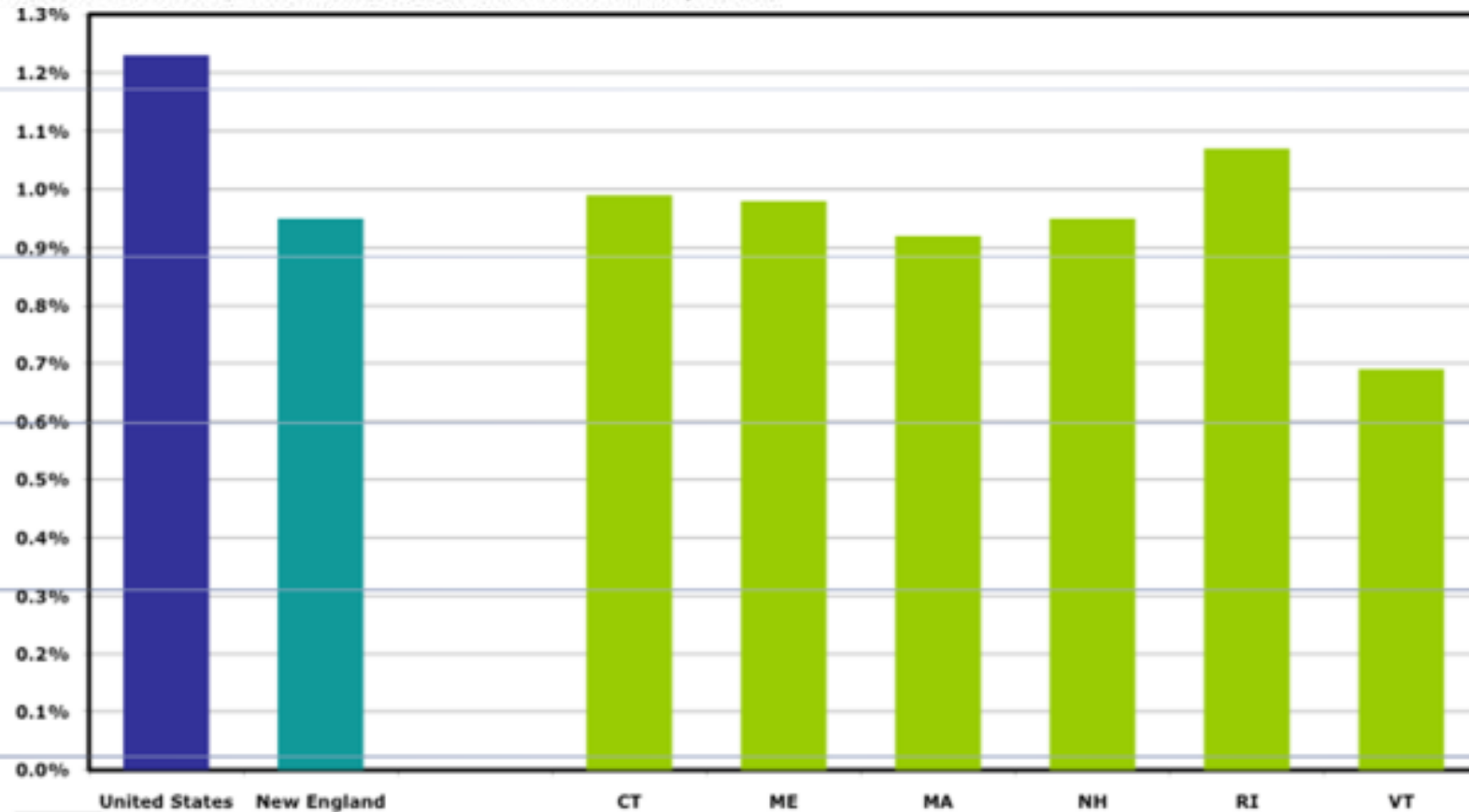
# Foreclosure rates for United States, New England, and Connecticut, through Q1-10

Percent of loans with foreclosure initiation in quarter



# Foreclosure rates for United States and New England states, Q1-10

Percent of loans with foreclosure initiation in quarter



# Foreclosure rates for U.S. and New England states, major conventional loan categories, Q1-10

Percent of loans with foreclosure initiation in quarter

