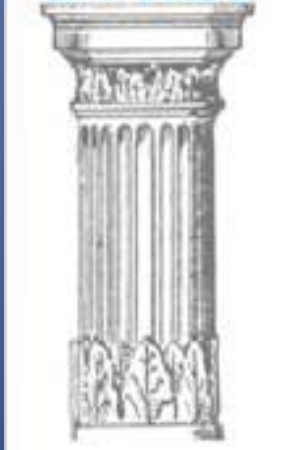


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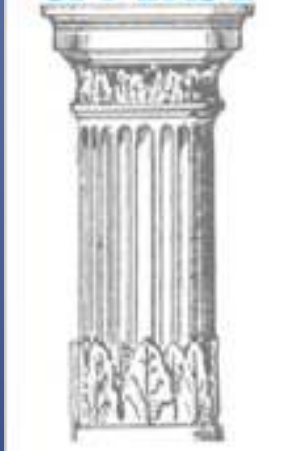
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**IREM
MANAGERS
AND MAINTENANCE
TRAINING**

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

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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

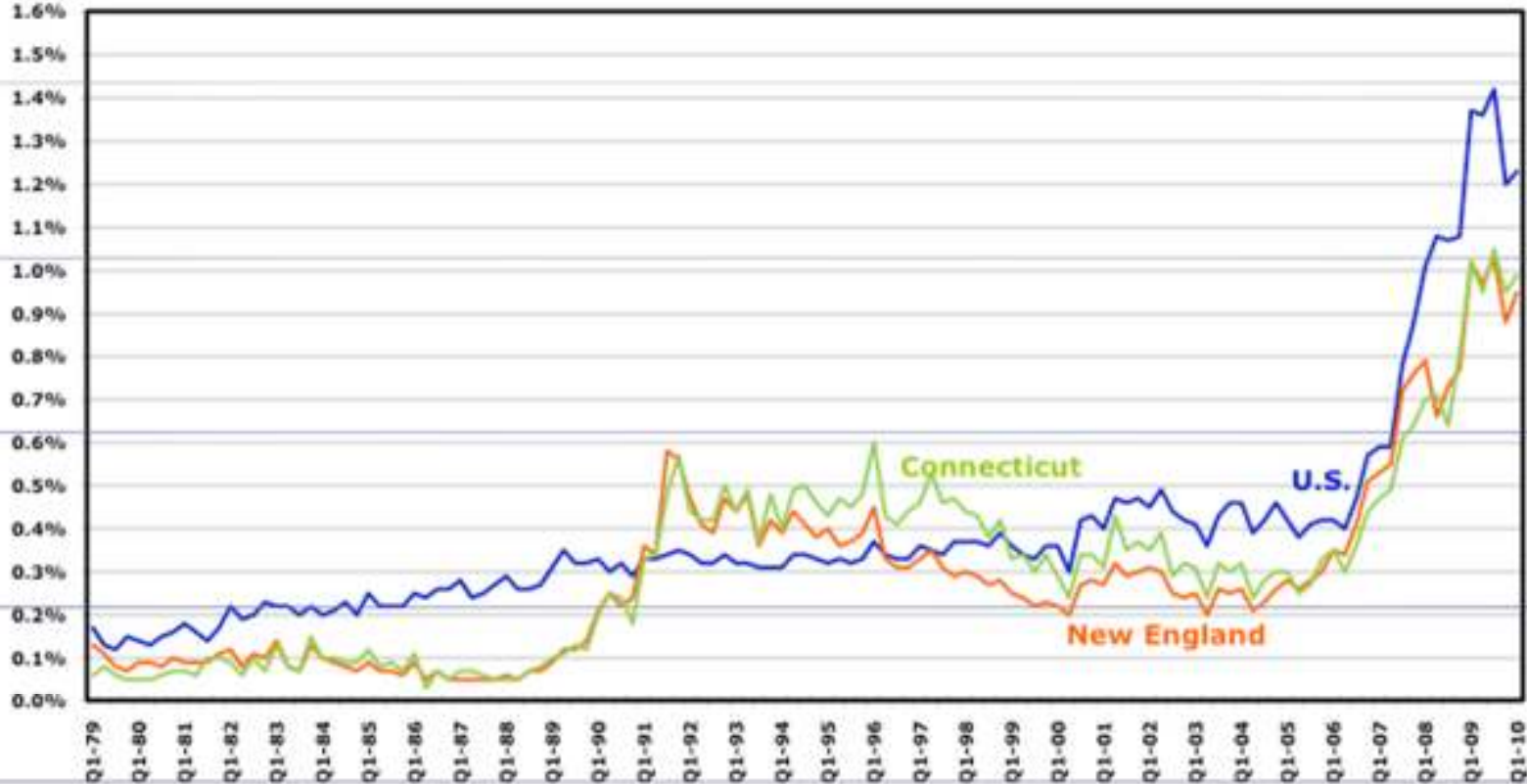
Version: July 7, 2010



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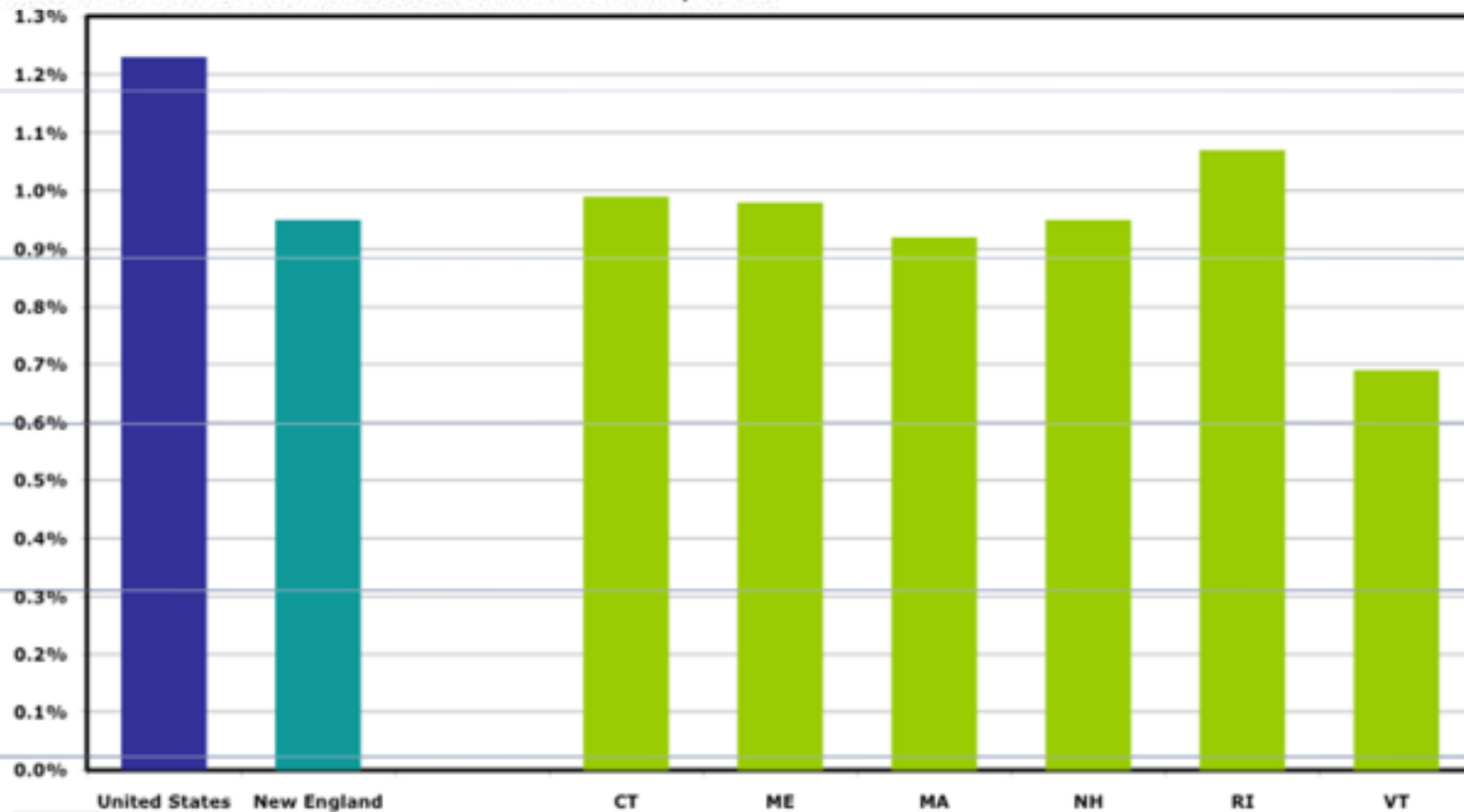
Foreclosure rates for United States, New England, and Connecticut, through Q1-10

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

