

Sale or foreclosure of the rental property

What if my landlord sells the building where I live?

When the owner sells the building, the new owner takes the property subject to the existing lease. The new owner must get the information about the tenants from the prior owners, including their rental payment history, security deposits and copies of lease agreements. You can make the new owner follow the lease, just as you must continue to abide by the lease.

What if I find out that the landlord is in foreclosure?

You may find out that your landlord is in foreclosure or behind on taxes, by seeing a notice posted by the sheriff or delivered to the tenants. Pennsylvania law requires a bank foreclosing on a property to send certain notices to the property owner and then to file a mortgage foreclosure action in the Court of Common Pleas.

That process can take many months or sometimes years. The owner will not lose the property until there has been a sheriff sale or tax sale. You will still owe rent while the property is in foreclosure, but make sure the owner is still taking responsibility for the property, making repairs and paying utilities.

If the property sells at the sheriff sale, the purchaser at sheriff sale may demand that you vacate the residence. There was a law called "Protecting Tenants at Foreclosure Act (PTFA)" that required the new owner to honor a tenant's lease, but that law expired in 2015. In some cases, properties with HUD-owned mortgages may offer a tenant the opportunity to apply to rent the property at fair market value.

The new owner must file a legal action to take over the property. Sometimes, they will offer a small amount of money for moving costs if you move immediately. Because they are not your landlord, they cannot file a complaint at the MDJ. They must file in the county Court of Common Pleas an action in Ejectment. This process can take several months and you may be able to negotiate with the new owner for an agreeable move out date.

*This handout contains a general statement of the law and should be used only as a guide.
It should not be considered legal advice because everyone's case is different.
The complete Self-Help Handbook for Tenants is available in electronic format
at <http://www.northpennlegal.org> in our Resources Section.
NPLS videos on rental housing are available on our website and at many area libraries.*