

110TH CONGRESS
1ST SESSION

H. R. 4735

To amend the Truth in Lending Act to protect tenants interests in foreclosure proceedings.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2007

Mr. ELLISON introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend the Truth in Lending Act to protect tenants
interests in foreclosure proceedings.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tenant Protection in
5 Foreclosure Act of 2007”.

6 **SEC. 2. EFFECT OF FORECLOSURE ON PREEXISTING LEASE.**

7 Section 128 of the Truth in Lending Act (15 U.S.C.
8 1638) is amended by adding at the end the following new
9 subsection:

1 “(e) EFFECT OF FORECLOSURE ON PREEXISTING
2 LEASE.—

3 “(1) IN GENERAL.—In the case of any fore-
4 closure on any dwelling or residential real property
5 securing an extension of credit made under a con-
6 tract entered into after the date of the enactment of
7 the Tenant Protection in Foreclosure Act of 2007,
8 any successor in interest in such property pursuant
9 to the foreclosure shall assume such interest subject
10 to—

11 “(A) the provision, by the successor in in-
12 terest, of a notice to vacate to any bona fide
13 tenant at least 90 days before the effective date
14 of the notice to vacate; and

15 “(B) the rights of any bona fide tenant, as
16 of the date of such notice of foreclosure—

17 “(i) under any bona fide lease entered
18 into before the notice of foreclosure to oc-
19 cupy the premises until the end of the re-
20 maining term of the lease or the end of the
21 6-month period beginning on the date of
22 the notice of foreclosure, whichever occurs
23 first, subject to the receipt by the tenant
24 of the 90-day notice under subparagraph
25 (A); or

1 “(ii) without a lease or with a lease
2 terminable at will under State law, subject
3 to the receipt by the tenant of the 90-day
4 notice under subparagraph (A).

5 “(2) BONA FIDE LEASE OR TENANCY.—For
6 purposes of this section, a lease or tenancy shall be
7 considered bona fide only if—

8 “(A) the mortgagor under the contract is
9 not the tenant;

10 “(B) the lease or tenancy was the result of
11 an arms-length transaction; or

12 “(C) the lease or tenancy requires the re-
13 ceipt of rent that is not substantially less than
14 fair market rent for the property.”.

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