



Foreclosure and Owner and Tenant's Rights

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What is meant by the term foreclosure?

It is a legal process by which an owner's right to a property is terminated, usually due to the failure to make mortgage payments. Typically, a court will order a forced sale of the property at public auction, with the proceeds being applied to mortgage debt.

Who do the tenants pay rent to during a foreclosure?

The court will appoint a receiver to collect the rents. It is the responsibility of the receiver to notify the tenants in writing of their appointment and to provide the tenants with the name and address of the receiver that rent checks can be made payable and mailed to. The written notification should be accompanied by a copy of the document, or portion thereof, that made the appointment.

Does the foreclosure change the rent regulation status of the apartments?

No. All apartments that were subject to rent regulation prior to the foreclosure will remain subject to rent regulation.

Who can obtain information and how pertaining to owner and tenant rights and rent information?

The bank or the court appointed referee and receiver have the right to file a Request for Records Access to obtain a copy of the rent

registration and case(s) status information on file with DHCR. However, a prospective purchaser of the buildings would need a letter of authorization from one of these entities, attached to their Request for Records Access. General information and forms on a wide range of rent regulation topics can be accessed on the DHCR website, www.hcr.ny.gov. Contact information for DHCR can be found at the end of this Fact Sheet.

Who is responsible for filing annual apartment registrations and other notices with DHCR?

During the foreclosure, the receiver is responsible for filing annual apartment registration forms and responding to case related requests for information from DHCR. Once an auction is held and the building is sold, the new owner takes on these responsibilities.

The receiver and the new owner are advised to notify DHCR of their status by filing Form RA-44 "Report of Change in Ownership or Address."

Can the tenants in rent regulated apartments be evicted solely due to the foreclosure status?

No. All of the protections given to rent regulated tenants concerning lease renewals and evictions remain in effect and are in no way diminished by a building entering foreclosure status. Additionally, an eviction of a tenant in New York State can only occur pursuant to a court order and after a full hearing in court.

Can the tenants work together to try to purchase the building?

Tenants interested in purchasing the building would need to consult with an attorney in private practice to understand their rights and any possible course of action.

Can tenants still file complaints with DHCR for decreases in services or rent overcharges, while the building is in foreclosure status?

Yes. Tenant rights in these areas are not diminished in any way.



➤ **Rent Connect:**
rent.hcr.ny.gov

✉ **Ask a question:**
portal.hcr.ny.gov/app/ask

🗣️ **For translation help:**
hcr.ny.gov/language-accessibility

➤ **Our website:**
hcr.ny.gov/rent

To visit a Borough Rent Office, by appointment only, please contact:

QUEENS

92-31 Union Hall Street
6th Floor
Jamaica, NY 11433
718-482-4041

BROOKLYN

55 Hanson Place
6th Floor
Brooklyn, NY 11217
718-722-4778

UPPER MANHATTAN

163 W. 125th Street
5th Floor
New York, NY 10027
212-961-8930

LOWER MANHATTAN

25 Beaver Street
New York, NY 10004
212-480-6238

BRONX

1 Fordham Plaza
4th Floor
Bronx, NY 10458
718-430-0880

WESTCHESTER

75 South Broadway
3rd Floor
White Plains, NY 10601
914-948-4434