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**TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE COMMITTEE ON HOUSING
FEBRUARY 19, 2009**

I appreciate the opportunity to support House Bill 6143, An Act Concerning Protections for a Tenant Whose Landlord is Subject to a Foreclosure Action.

This proposal expands Connecticut's foreclosure protections for tenants who are current with their rental payments by prohibiting any eviction or summary process against such tenants by the new owner of the property prior to the expiration of the rental agreement, unless the new owner has just cause under landlord-tenant law. The legislation contains an exemption for foreclosures where the buyer has made a vacant building a condition of sale.

My office has been addressing dozens of complaints from homeowners who have high costs loans. We have been successful in working through problems with mortgage companies, often obtaining reduced interest payments and other forms of relief for homeowner. In other cases, my office receives calls from tenants who are renting single family homes or condominiums that are in foreclosure. Although these tenants have been making their rental payments and are otherwise in good standing, they face eviction proceedings from their home. In many cases, the tenant did not even realize the home was in foreclosure. These tenants are the collateral victims of the current mortgage meltdown crisis.

Current law requires new owners of a foreclosed property to give tenants who are current in their rent and who entered into the rental agreement in a good faith, arms-length transaction with 60 days notice prior to starting eviction proceedings. This time frame is insufficient for many families who must seek other, appropriate rental homes. House Bill 6143 prohibits evictions of such tenants except (1) where the buyer conditions the offer to purchase on the house being vacant; or (2) where the buyer has just cause under landlord-tenant law. This legislation is based on Fannie Mae policy.

I urge the committee to consider limiting the buyer exception to instances where the buyer indicates in an affidavit that the foreclosed home will be used as the buyer's residence.

I urge the committee's favorable consideration of House Bill 6143 with the suggested amendment.