

## Property Foreclosure Notice to Tenants

By: Marybeth Sullivan, Senior Legislative Attorney  
August 30, 2023 | 2023-R-0213

### Issue

Does state law require either the landlord or the bank to alert tenants in advance if their rent-to-own residential property (specifically, a single-family home) is being foreclosed upon?

(The Office of Legislative Research is not authorized to issue legal opinions, and the following should not be considered one.)

### Summary

With some exceptions, Connecticut law requires landlords to give tenants of foreclosed residential properties notice when (1) a successor in interest chooses to evict them (90 days' notice to vacate) or (2) the property management changes due to succession (notice at time of succession). (A "successor in interest" is generally a party, other than the original mortgage borrower, who has an ownership interest in the property that serves as collateral for a mortgage obligation.)

While residential lease-purchase agreements (i.e., "rent-to-own" agreements) are different from traditional residential leases, Connecticut courts have applied landlord-tenant statutes to certain disputes between parties that have entered into this type of agreement.

## Landlord Foreclosure Notification Requirements

### *Connecticut Law: Protecting Tenants at Foreclosure*

Under state law, an immediate successor in interest at foreclosure must (1) provide tenants with 90 days' notice to vacate and (2) allow tenants with existing leases to continue occupancy until the end of the lease term ([CGS § 49-31p](#)). Despite a lease, a tenant can be evicted on 90 days' notice

if the (1) successor in interest sells the unit to a buyer who will occupy it as his or her primary residence or (2) lease was terminable at will or the tenant did not have a lease.

These protections apply if the (1) tenant is not the mortgagor or the child, spouse, or parent of the mortgagor; (2) lease or tenancy is the result of an arms-length transaction (i.e., the parties have no existing relationship with each other); and (3) lease or tenancy requires rent that is not substantially less than fair market rent or is reduced or subsidized due to a federal, state, or local subsidy.

These provisions do not affect the termination requirements for any federal- or state-subsidized tenancy. They also do not affect any state or local laws that provide tenants with longer time periods or additional protections. (For example, the law provides additional protections for tenants who are receiving assistance under the federal Housing Choice Voucher Program ([CGS § 49-31q](#).)

### ***Lease-Purchase Agreements***

Connecticut courts have been inclined to recognize certain rights of tenants under a residential lease-purchase agreement using landlord-tenant statutes.

Residential lease-purchase agreements contain traditional residential tenancy provisions, such as the tenancy term length and rent and security deposit amounts, but they also include additional provisions, including the date by which the tenant must purchase the residence and the portion of the monthly rent paid that may be applied toward the purchase price. These features make them a hybrid of a tenancy contract and a sales contract.

Connecticut courts have applied landlord-tenant statutes to disputes between parties that have entered into residential lease-purchase agreements under certain circumstances, such as when the tenants' health and safety were at risk. See [Whitaker v. Amato](#), 1998 WL 150753 (Conn. Super. Ct. Feb. 24, 1998), where the court cited a landlord's duty under state statute to comply with building and housing codes affecting the health and safety of tenants living in a home under a lease-purchase agreement. Conversely, the courts have applied statutes governing the sale of residential real estate to disputes between parties to lease-purchase agreements about sales provisions in the agreement, but not tenancy provisions. See [Macciaroli v. Giannantoni](#), 2000 WL 195102 (Conn. Super. Ct. Feb. 7, 2000), where the court declined to find a lease unenforceable based upon the landlord's/seller's failure to supply the tenant/buyer with a residential condition report required by law for every agreement to purchase residential real estate, including leases with an option to buy.

## **Additional Resources**

Tenants seeking help when their landlord is facing foreclosure may find the following resource from Connecticut Legal Aid to be helpful: <https://ctlawhelp.org/en/tenants-rights-foreclosure>.

MS:co