

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1051*

Short Title: Protect Tenants in Foreclosed Property. (Public)

Sponsors: Representatives Blue; Bell, Cotham, Faison, Fisher, E. Floyd, Harrison, Insko, Jones, Lucas, Luebke, Mackey, Parmon, Ross, Weiss, and Womble.

Referred to: Commerce, Small Business, and Entrepreneurship, if favorable, Judiciary II.

April 6, 2009

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING THAT THE PURCHASER OF FORECLOSED PROPERTY SHALL
3 NOT DISPOSSESS OR EVICT A TENANT WHO RECEIVES SECTION 8
4 ASSISTANCE PRIOR TO THE EXPIRATION OF THE TENANT'S LEASE.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 2A of Chapter 45 of the General Statutes is amended by
7 adding a new section to read as follows:

8 **"§ 45-21.27A. Purchaser subject to Section 8 lease and contract.**

9 A sale or upset bid pursuant to this Article shall not terminate a rental agreement that was
10 entered into between the mortgagor and a tenant who receives assistance pursuant to Section 8
11 of the U.S. Housing Act of 1937 (42 U.S.C. § 1437f) prior to the commencement of the
12 foreclosure action. No order of possession shall be issued pursuant to G.S. 45-21.29 and no
13 summary ejectment action under Article 3 of Chapter 42 of the General Statutes shall
14 commence prior to the expiration of the rental agreement on the grounds that the tenant no
15 longer has the right or privilege to occupy the premises as a result of the sale or upset bid. A
16 purchaser of residential property in which a tenant who receives assistance pursuant to Section
17 8 of the U.S. Housing Act of 1937 (42 U.S.C. § 1437f) resides shall be subject to the housing
18 assistance payments contract for the tenant's dwelling unit."

19 SECTION 2. G.S. 45-21.29(k) reads as rewritten:

20 "(k) Orders for possession of real property sold pursuant to this Article, in favor of the
21 purchaser and against any party or parties in possession at the time of application therefor, may
22 be issued by the clerk of the superior court of the county in which the property is sold if all of
23 the following apply:

24 ...

- 25 (5) Ten days' notice has been given to the party or parties who remain in
26 possession at the time application is made, unless the party or parties receive
27 assistance under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. §
28 1437f), and in that case, the provisions of G.S. 45-21.27A shall apply or, in
29 the case of residential ~~property~~ rental property, containing 15 or more rental
30 units, 30 90 days' notice has been given to the party or parties who remain in
31 possession at the time the application is made.

32"

33 SECTION 3. This act is effective when it becomes law.

