

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH20041-LM-101 (02/28)

Short Title: NC Foreclosure/Landlord Tenant Laws. (Public)

Sponsors: Representatives Blue and Glazier (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT REQUIRING THAT A NOTICE OF SALE IN FORECLOSURE PROCEEDINGS BE SENT TO ANY TENANT RESIDING IN THE PROPERTY TO BE SOLD AND ALLOWING THE TENANT AFTER RECEIVING THE NOTICE TO TERMINATE THE RENTAL AGREEMENT UPON TEN DAYS' WRITTEN NOTICE TO THE LANDLORD.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 45-21.16A reads as rewritten:

"§ 45-21.16A. Contents of notice of sale.

The notice of sale shall –

...

(9) State that an order for possession of the property may be issued pursuant to G.S. 45-21.29 in favor of the purchaser and against the party or parties in possession by the clerk of superior court of the county in which the property is sold.

(10) State that any person who occupies the property pursuant to a rental agreement may, after receiving the notice of sale, terminate the rental agreement upon 10 days' written notice to the landlord. Upon termination of a rental agreement, the tenant is liable for rent due under the rental agreement prorated to the effective date of the termination."

SECTION 2. G.S. 45-21.17(4) reads as rewritten:

"(4) The notice of sale shall be mailed by first-class mail at least 20 days prior to the date of sale to each party entitled to notice of the hearing provided by G.S. 45-21.16 whose address is known to the trustee or mortgagee and in addition shall also be mailed by first-class mail to any party desiring a copy of the notice of sale who has complied with

1 ~~G.S. 45-21.17A.~~G.S. 45-21.17A and, if the property is residential, to
2 any person who occupies the property pursuant to a residential rental
3 agreement by name, if known, at the address of the property to be sold.
4 If the name of the person who occupies the property is not known, the
5 notice shall be sent to "occupant" at the address of the property to be
6 sold. Notice of the hearing required by G.S. 45-21.16 shall be
7 sufficient to satisfy the requirement of notice under this section
8 provided such notice contains the information required by
9 G.S. 45-21.16A."

10 **SECTION 3.** G.S. 42-45 reads as rewritten:

11 "**§ 42-45. Early termination of rental agreement by ~~military personnel~~personnel**
12 **and tenants residing in foreclosed property.**

13 ...

14 (b1) Any tenant who resides in a dwelling unit that is being sold in a foreclosure
15 proceeding under Article 2A of Chapter 45 of the General Statutes may terminate the
16 rental agreement for the dwelling unit after receiving notice pursuant to
17 G.S. 45-21.17(4) by providing the landlord with a written notice of termination to be
18 effective on a date stated in the notice that is at least 10 days after the date of the notice
19 of sale. Upon termination of a rental agreement under this section, the tenant is liable
20 for the rent due under the rental agreement prorated to the effective date of the
21 termination payable at the time that would have been required by the terms of the rental
22 agreement. The tenant is not liable for any other rent or damages due only to the early
23 termination of the tenancy."

24 **SECTION 4.** This act is effective when it becomes law.