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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO PROPERTY -- RESIDENTIAL LANDLORD AND TENANT ACT

Introduced By: Representatives Almeida, Diaz, Handy, Williams, and O'Brien

Date Introduced: February 07, 2013

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 34-18 of the General Laws entitled "Residential Landlord and
2 Tenant Act" is hereby amended by adding thereto the following section:

3 **34-18-58. Eviction of tenants at sufferance in foreclosed properties only for just**
4 **cause. -- (a) As used in this section, the following words shall, unless the context clearly requires**
5 **otherwise, have the following meanings:**

6 (1) "Entity" means a business organization, or any other kind of organization including,
7 without limitation, a corporation, partnership, trust, limited liability corporation, limited liability
8 partnership, joint venture, sole proprietorship or any other category of organization and any
9 employee, agent, servant or other representative of such entity.

10 (2) "Eviction" means an action, without limitation, by a foreclosing owner of a housing
11 accommodation which is intended to actually or constructively evict a tenant at sufferance or
12 otherwise compel a tenant at sufferance to vacate such housing accommodation.

13 (3) "Foreclosing owner" means an entity that holds title in any capacity, directly or
14 indirectly, without limitation, whether in its own name, as trustee or as beneficiary, to a housing
15 accommodation that has been foreclosed upon and either:

16 (i) Held or owned a mortgage or other security interest in the housing accommodation at
17 any point prior to the foreclosure of the housing accommodation or is the subsidiary, parent,
18 trustee, or agent thereof; or

19 (ii) Is an institutional mortgagee that acquires or holds title to the housing

1 accommodation within three (3) years of the filing of a foreclosure deed on the housing
2 accommodation; or

3 (iii) Is the federal national mortgage association or the federal home loan mortgage
4 corporation.

5 (4) "Foreclosure" means an action to terminate a mortgagor's interest in property by sale
6 of property pursuant to a power of sale in a mortgage, as described in section 34-11-22 or
7 conveyance of the property by the mortgagor to the mortgagee in lieu of foreclosure or an action
8 filed in court pursuant to section 34-27-1.

9 (5) "Housing accommodation" means a building or structure, or part thereof or land
10 appurtenant thereto, and any other real or personal property used for living or dwelling purposes,
11 together with all services connected with the use or occupancy of such property.

12 (6) "Institutional mortgagee" means an entity or an entity which is the subsidiary, parent,
13 trustee or agent thereof or otherwise related to such entity, that holds or owns mortgages or other
14 security interests in three (3) or more housing accommodations or that acts as a mortgage servicer
15 of three (3) or more mortgages of housing accommodations, except any credit union incorporated
16 pursuant to section 19-5-2.

17 (7) "Just cause" means one of the following:

18 (i) The tenant at sufferance has failed to pay the reasonable rent, as long as the
19 foreclosing owner notified the tenant, in writing, of the amount of rent that was to be paid and to
20 whom it was to be paid;

21 (ii) The tenant at sufferance has materially violated an express or legally required
22 obligation or covenant of the tenancy;

23 (iii) The tenant at sufferance is committing a nuisance in the unit, is permitting a nuisance
24 to exist in the unit, is causing substantial damage to the unit or is creating a substantial
25 interference with the quiet enjoyment of other occupants;

26 (iv) The tenant is using or permitting the unit to be used for any illegal purpose;

27 (v) The tenant at sufferance has refused, after written request or demand by the
28 foreclosing owner, to execute a written rental agreement at a reasonable rent and on such other
29 terms that are not inconsistent with this chapter;

30 (vi) The tenant at sufferance has refused the foreclosing owner reasonable access to the
31 unit for the purpose of making necessary repairs or improvement required by the laws of the
32 United States, the state of Rhode Island any subdivision thereof, or for the purpose of inspection
33 as permitted or required by agreement or by law or for the purpose of showing the unit to a
34 prospective purchaser or mortgagee;

1 (vii) The foreclosing owner:

2 (A) seeks to permanently board up or demolish the premises because the premises has
3 been cited by a state or local minimum housing code enforcement agency for substantial
4 violations affecting the health and safety of tenants and it is economically unfeasible for the
5 foreclosing owner to eliminate the violations; or

6 (B) Seeks to comply with a state or local minimum housing code enforcement agency
7 that has cited the premises for substantial violations affecting the health and safety of tenants and
8 it is unfeasible to so comply without removing the tenant at sufferance;

9 (C) Seeks to correct an illegal occupancy because the premises has been cited by a state
10 or local minimum housing code enforcement agency or zoning officials and it is unfeasible to
11 correct such illegal occupancy without removing the tenant at sufferance; provided nothing in the
12 section shall limit the rights of a third-party owner to evict a tenant at sufferance upon purchasing
13 the unit from a foreclosing owner by following the procedures for terminating a month-to-month
14 tenancy set forth in section 34-18-37.

15 (8) "Mortgagee" means an entity to whom property is mortgaged, the mortgage creditor
16 or lender including, but not limited to, mortgage servicers, lenders in a mortgage agreement and
17 any agent, servant or employee of the mortgagee or any successor in interest or assignee of the
18 mortgagee's rights, interests or obligations under the mortgage agreement.

19 (9) "Mortgage servicer" means an entity which administers or at any point administered
20 the mortgage; provided, however such administration shall include, but not be limited to,
21 calculating principal and interest, collecting payments from the mortgagor, acting as escrow agent
22 or foreclosing in the event of a default.

23 (10) "Unit" or "residential unit" means the room or group of rooms within a housing
24 accommodation which is used or intended for use as a residence by one household.

25 (11) "Reasonable rent" means the lesser of:

26 (i) The fair market rent as established by the United States department of housing and
27 urban development pursuant to 42 U.S.C. c section 1437f(o), as it exists or may be amended, for a
28 unit of comparable size in the area in which the housing accommodation is located; or

29 (ii) Any other amount agreed as rent between the tenant at sufferance and the foreclosing
30 mortgagee.

31 (12) "Tenant at sufferance" means any former owner occupant of property who becomes
32 a tenant a sufferance as a result of a foreclosure.

33 (b) Notwithstanding any provisions of the general or public laws to the contrary, a
34 foreclosing owner shall not evict a tenant at sufferance, except for just cause, or unless a binding

1 purchase and sale agreement has been executed for bona fide third-party to purchase the housing
2 accommodation from a foreclosing owner, and the foreclosing owner has disclosed to the third-
3 party purchaser that said purchaser may be responsible for evicting the current occupants of the
4 housing accommodations after the sale occurs.

5 (c) Within thirty (30) days of the foreclosure, the foreclosing owner shall deliver to the
6 tenant at sufferance a written notice stating the names, addresses, telephone numbers and
7 telephone contact information of the foreclosing owner, the building manager or other
8 representative of the foreclosing owner responsible for the management of such building and
9 entering into a written rental agreement at a reasonable rent and on such other terms permitted by
10 this section, stating the amount of reasonable rent to be paid and the address to which rental
11 payment shall be sent. This requirement shall be satisfied if the foreclosing owner or someone
12 acting on his or her behalf has:

- 13 (1) Posted in a prominent location in the building;
14 (2) Mailed by first (1st) class mail to each unit; and
15 (3) Slid under the door of the unit occupied by the tenant at sufferance a written notice
16 containing the information required by this paragraph.

17 (d) A foreclosing owner shall not evict a tenant at sufferance for actions that constitute
18 just cause, and:

19 (1) A foreclosing owner shall not evict a tenant at sufferance for the following actions
20 that constitute just cause until thirty (30) days after the notice required by subsection (d) of this
21 section is posted and delivered:

22 (i) The tenant at sufferance has failed to pay the reasonable rent, as long as the
23 foreclosing owner notified the tenant at sufferance, in writing, of the amount of reasonable rent
24 that was to be paid and to whom it was to be paid;

25 (ii) The tenant at sufferance has materially violated an express or legally required
26 obligation or covenant of the tenancy; and

27 (iii) The tenant at sufferance has refused, after written request or demand by the
28 foreclosing owner, to execute a written rental agreement at a reasonable rent and on such terms
29 that are not inconsistent with this section; and

30 (iv) The foreclosing owner:

31 (A) Seeks to permanently board up or demolish the premises because the premises has
32 been cited by a state or local minimum housing code enforcement agency for substantial
33 violations affecting the health and safety of tenants and it is economically unfeasible for the
34 foreclosing owner to eliminate the violations; or

1 (B) Seeks to comply with a state or local minimum housing code enforcement agency
2 that has cited the premises for substantial violations affecting the health and safety of tenants and
3 it is unfeasible to so comply without removing the tenant at sufferance; or

4 (C) Seeks to correct an illegal occupancy because the premises has been cited by a state
5 or local minimum housing code enforcement agency or zoning officials and it is unfeasible to
6 correct such illegal occupancy without removing the tenant at sufferance.

7 (2) A foreclosing owner shall not evict a tenant at sufferance for the following actions
8 that constitute just cause until the notice required by subsection (d) is posted and delivered:

9 (i) The tenant at sufferance is committing a nuisance in the unit, is permitting a nuisance
10 to exist in the unit, is causing substantial damage to the unit or is creating a substantial
11 interference with the quiet enjoyment of other occupants;

12 (ii) The tenant at sufferance is using or permitting the unit to be used for any illegal
13 purpose; and

14 (iii) The tenant at sufferance has refused the foreclosing owner reasonable access to the
15 unit for the purpose of making necessary repairs or improvements required by the laws of the
16 United States, the state of Rhode Island or any subdivision thereof; or

17 (iv) For the purpose of inspection as permitted or required by agreement or by law or for
18 the purpose of showing the unit to a prospective purchaser or mortgagee.

19 (e) The following procedure shall be followed for the eviction of a tenant pursuant to
20 paragraph (d) of this section.

21 (1) For evictions brought pursuant to paragraph (d)(1)(i) for foreclosing owner shall
22 follow the procedures set forth in section 34-18-35;

23 (2) For evictions brought pursuant to paragraphs (d)(1)(ii) and (e)(2) the foreclosing
24 owner shall following section 34-18-36; and

25 (3) For evictions brought pursuant to paragraph (d)(1)(iii) or for evictions brought where
26 a binding purchase and sale agreement has been executed for a bona fide third-party to purchase
27 the housing accommodation from a foreclosing owner, the foreclosing owner shall follow the
28 procedures for terminating a month-to-month tenancy set forth in section 34-18-37.

29 SECTION 2. Section 34-18.1-1 of the General Laws in Chapter 34-18.1 entitled
30 "Commercial Leasing and Other Estates" is hereby amended to read as follows:

31 **34-18.1-1. Purpose.** -- This chapter shall apply to all commercial properties and other
32 estates, excluding residential properties governed by the Residential Landlord and Tenant Act,
33 chapter 18 of this title. This chapter shall not apply to the continued occupancy of property by an
34 former owner occupant of property who becomes a tenant at sufferance as a result of a

1 [foreclosure of any mortgage on the property by sale of the property pursuant to a power of sale in](#)
2 [a mortgage, as described in section 34-11-22 or conveyance of the property by the mortgagor to](#)
3 [the mortgagee in lieu of foreclosure or an action filed in court pursuant to section 34-27-1; said](#)
4 [continued occupancy to be governed by chapter 18 of this title.](#)

5 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PROPERTY -- RESIDENTIAL LANDLORD AND TENANT ACT

- 1 This act would prohibit a foreclosing owner from evicting a tenant at sufferance except
- 2 for just cause or a purchase and sale agreement for the foreclosed has been executed.
- 3 This act would take effect upon passage.

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