

How renters can avoid leasing foreclosed homes

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One important legal issue surrounding foreclosures is how a tenant can be affected by renting a home in foreclosure.

There is nothing to legally prevent a homeowner from renting out his or her home, even if that home is in foreclosure. However, most tenants, don't want to move into a home just to turn around and move out again.

Furthermore, a less-than-honest landlord could conceivably even collect a deposit from the tenant, pocket the monthly rent without advising the tenant, and when the property is foreclosed upon, retain the deposit. The tenant is then left with the unattractive option of taking the landlord to small claims court to obtain a judgment and then attempting to collect on the judgment — assuming that the landlord even has assets to collect upon.

Tenants renting directly from a home or condominium owner are advised to check the Clark County Recorder's Web site (located at <http://recorder.co.clark.nv.us>) to determine the status of the property and determine if a notice of breach has been filed. A notice of breach is a document filed by the lender on a property whose mortgage is in default, to put persons on official notice that the lender intends to initiate foreclosure

proceedings.

Tenants could also ask to see a recent statement from the mortgage company showing that the owner is current on payments. A landlord unwilling to provide such documentation should be regarded with suspicion.

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